# SKANDINAVISKA BANKEN

## AKTIEBOLAG

GÖTEBORG STOCKHOLM MALMÖ

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# THE FUNCTIONS OF PRICES IN THE MELTING-POT

BY PROFESSOR ERIK LUNDBERG

The price system, its mechanism and functions, was long one of the fundamentals in economic science as well as in discussions on economic policy. During the inter-war period, however, business cycle problems and employment policy were brought, in increasing measure, into the foreground, and this seems to apply in a still higher degree to the discussion regarding the economic prospects of the post-war period. Price questions indeed come in for consideration, as an important element in the discussion of the structural changes and transformations which Swedish industry and commerce may pass through. But, in this discussion, the price system has evidently lost its previous central position in the analysis of the factors affecting the general economic development. This fact in itself is not difficult to explain, but, on the contrary, is quite a natural consequence, firstly of important changes in commercial and industrial activities and, secondly of significant modifications in the way in which we view these activities, that is, ultimately in our attitude towards the aims and possibilities of economic policy.

The discussion regarding the price system has been concentrated primarily on immediate issues, including the general prospects of price movements after the war and questions relating to the winding-up and supersession of the price control system. It seems, however, to be of importance that the price questions of the day should be placed in relation also to our views — which in the process of time have shifted considerably —, regarding the function of prices. The Swedish Commission for Post-war Planning, in their last report, have taken up an important aspect of the general price problem, namely how the price mechanism works in an economy where competition is restricted. The principal problem in such cases is how the State, by suitable measures, could eliminate or counteract the injurious effects of imperfect competition. The term "imperfect competition" is defined mainly on the basis of the conditions prevailing during free or — as is explained in the report — healthy competition or price competition. It is the deviations from these conditions that are regarded as detrimental to the national economy and are ultimately pleaded in justification of the measures recommended in the report.

The object of this article is to direct attention to certain general tendencies in the formation of prices which seem to be of fundamental importance for the future development of Swedish industry and commerce. In a short article I must, of course, confine myself merely to indicating certain points of view, without entering into any valuation — approbation or disapproval —, of these tendencies. The above reference to the way in which the Myrdal commission have approached the problems of monopolistic price-fixing is intended to show the necessity of reverting for the moment to the mechanism and functioning of prices in the classical system with free and unabated competition. This in fact is the starting-point to which we always, consciously or unconsciously, refer, when the position of the price structure in the modern economy is being discussed.

## The operation of the classical price system.

The cardinal feature in the classical price system, in its ideal conception, was its character of pure *mechanism*. It was beoynd the power and capacity of the individual producer or consumer to affect the price. He sold or bought, respectively, on a market at a given price, which he had merely to accept. The price in fact registered the conditions on the market. In times

of shortage the price was relatively high, so that, on the one hand, consumers were deterred from buying, whilst producers, on the other hand, were animated to greater efforts in making offers. If a relative superfluity arose the price would fall, so that the demand increased and sales were stimulated, whilst production and offers were kept back and possibly were diverted to other more remunerative markets. In the beautiful classical structure there is on every market a state of equilibrium, towards which price movements tend and which they would ultimately reach if the dynamic world did not perpetually give rise to new changes. In this picture there is no such thing as unemployment nor any non-utilization of resources for production. An elastic system ensures that prices at every point shall be accommodated to the supply and demand in such a way that all available goods always find a buyer and that all factors of production always are utilized.

The crown of this mental structure was the thesis that this free price system ensured the best possible use of the forces of production. When every producer was trying to obtain a maximum profit, he must, at given costs of production and market prices, accommodate himself to the line of production desired by consumers and accordingly aim at the most effective combination of production factors. If the profit was greater in one branch than in another, or if larger profits could be attained by a substitution of certain factors of production for others, it might be found that a corresponding change of production — which should be effected, as being remunerative — would conduce more completely to satisfy the needs of consumers. The mechanism of a free price system gives the consumer the central position in the economy: it is his scale of valuation that ultimately determines the price relations and thus the line of production. The true economic democracy would indeed be attained under such conditions — the votes of individual recipients of income regarding the distribution of the resources for production would in fact be recorded by the impersonal mechanism of the price system.

It should at once be evident that the above outlined operation of the price system under conditions of free competition has never existed in reality and will never exist. Nevertheless it is something in this line that we must bear in mind when we speak of deviations from a system of free price competition in different branches of industry or commerce. When we proceed to discuss how our general price system is working and may work in the future, it seems therefore desirable to look for a basis of comparison in the liberal ideal construction. The question will then be not only whether the actual price structure in a given branch more or less closely conforms to this ideal construction, but also whether economic policy, in its different forms, aims at an approach to this position or proposes to establish some entirely different system. — It should be pointed out at once that this survey relates to "normal" times and to long-range developments, whereas the problems regarding price during the wartime and the immediate post-war period will not be brought up for discussion.

### Defects in the free price system.

The principal defects (deviations from the ideal construction) in the price system, as it has worked in reality, may be divided in three main categories.

1) *Full utilization of the factors of production has not been brought about.*

Free competition has not worked in such a way that full utilization of the production factors has been attained as assumed in the classical system. Unemployment during slumps as well as the long periods during which production capacity and labour in different branches of industry and geographical areas have not been fully utilized are glaring signs that an automatic price system has been unable to bring about the equalization of supply and demand assumed in the classical system. In reality, the conditions for the general formation of prices have not been so simple nor so easily brought into harmony as had been theoretically presumed. The immobility of labour in conjunction with

the rigidity of wage rates are, of course, disturbing factors of considerable importance.

There is, however, another complication, which has still wider consequences. The magnitude, indivisibility and immobility of fixed capital has not only at times entailed a marked maladjustment in the economic system which the classical theory has not taken into account, but has also involved a time factor which cannot be fitted at all into a system of "equilibrium" in a world of free competition. The formation of capital takes time and implies a locking-up of productive forces for a certain production for a considerable time ahead. The business cycle problem is largely implied in the difficulty of making a proper adjustment between investment and saving — and on this front the price mechanism has shown itself unable to effect a solution. On the contrary, owing to fluctuations of the price level and, in certatin cases, in consequence of the failure of interest rates to adjust themselves automatically to the demand for capital, price movements have in fact tended to intensify the market fluctuations. Moreover, in free competition between a large number of producers, the very fact that a considerable interval of time often elapses between the decision of a producer to manufacture a certain commodity and its distribution to the consumers, entails a characteristic instability on the market, with a tendency towards violent price fluctuations (for example, in regard to many raw-material markets before the war — cf. the pig production cycle). In such cases, the market price will obviously give insufficient guidance to the producer, so that, in the heat of competition, cumulative mistakes may be made.

2) *Prices are largely determined by the producer.*

In many branches of industry movements of prices have ceased to be an impersonal mechanism. It is not by the free play between supply and demand on the market that the price is determined: it is unilaterally fixed, within certain margins, by the seller. By limiting the number of sellers within a certain district, or by some form of cooperation between the producers, the total supply is controlled. It will thus be possible for the production or distribution units to pursue a definite price policy. Prices are fixed by the administrative departments of individual companies, and the automatism of a free price system is thus abolished.

It is scarcely necessary, in this connection, to mention all the forms of administrative price-fixing that occur in private industries. We may confine ourselves to noting that the simple picture of the price mechanism which has been presented under the assumption of free competition is largely inapplicable to our modern communities, and the classical conclusions concerning the results of private enterprise are thus modified also in this regard. To what extent, and in what respects, will obviously depend on *how* this liberty in regard to the fixing of prices is utilized. Thus, it is possible that the producers may not abuse their liberty, or rather power, more or less to control the market. Ambition or fear of potential competition *may* be as good an inducement to effective production and low-price policy to the advantage of consumers as sharp competition on a market that approaches the classical type. The existence of merely a single producer, who is not willing to cooperate in a branch otherwise controlled by a cartel, may in fact suffice to render the competition severe and effective. By cooperation between the companies in a certain branch and by better planned production, it *may* even be possible to avoid errors of investments that are liable to occur during a lengthy process of production under conditions of free competition. But the possibility that healthy competition may exist even where the producers are few in number or cooperate, obviously does not rule out a considerable risk of less satisfactory results. The guarantee which was assumed to lie in the impersonal price mechanism under conditions of free and effective competition scarcely exists under the prevailing system of more or less monopolistic control. Generally speaking, we have, unfortunately, no criterion as to how the price mechanism actually operates, whence the State is compelled to secure the power of control recommended by the Myrdal commission.

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### 3) *The central position of the consumer challenged.*

When the price, within certain wide margins, is fixed by the producer or by the trade, the influence of the consumer in regard to the direction of production will obviously be curtailed. Even if the consumer's scale of valuation in regard to the order of preference in his requirements should not be affected, the degree in which different needs will be satisfied will be shifted from the positions that would be reached under conditions of free competition and a more automatic price system.

Moreover, production and trade, as we know, have great possibilities of affecting the consumer's demand. We often hear about the capacity of the producers for directing consumption — not merely by moving along the demand schedules, but also, in a still more radical way, by the creation of new goods and new requirements. We sometimes hear it contended that the possibilities of consumers for affecting production have almost completely vanished.

The capacity of consumers for asserting their desires is, however, liable to be underestimated. The sellers sometimes have a rather strong impression of their customers' conservatism and their resistance to the influences of advertizing and sales pressure: the determining voice of the consumers still remains, but, in our dynamic world, has, of course, been greately modified and is hedged about with complications not foreseen in the classical system of equilibrium.

The situation of the consumer may be illustrated by the following simile. It might be supposed that the passengers (the consumers) on a steamship were completely in the power of the captain (the producer) and could be carried whither he or the shipowners desired. But this is merely a semblance. The passengers had decided to embark because the steamship, according to the schedule of sailings, was bound for the port to which they desired to travel. Their wishes, in turn, are limited by the existing steamship services established by the shipowners on the basis of their views regarding the need of travelling facilities, etc.

An old objection in regard to the position of the consumer under conditions of a free price-system is the lopsidedness in the cover of demand, which arises in consequence of the unequalness in income distribution. Individual recipients of income thus have different "voting power" in the distribution of the total production results. The consequence is that, as regards the lower income groups, very essential requirements are relegated into the background in favour of demands for luxuries of fancy articles in higher income classes. The production apparatus is thus given a tendency which deviates from that which would exist in case of a more equal distribution of income or if the order of preference between different requirements were determined, on social lines, by the State.

Great importance is attached — especially by English and American economists — to the somewhat similar argument that the right of income receivers to dispose freely of their money, where the distribution of income is unequal — which, of course, is a consequence of a free price system —, is liable to lead to excessive saving and too small a demand for consumption goods. Thus, according to this way of thinking, the free choice of income receivers, at current prices and interest rates, is apt to result in a different relation between consumption and saving than corresponds to the intentions of the producers and the need of fresh capital for production.

### The curtailment of free price formation.

It is thus quite easy to pick fault with the free price-system as it works in practice. And this not only when, in certain respects, it approaches the classical ideal (*e. g.* too many producers engaged in competition tending to increase their costs), but also when it deviates from that ideal (price-fixing in conditions of imperfect competition). Criticism of the defects of the system has undermined confidence, in wide circles, as to the capacity of a free price-system for directing consumption and production. Previously dominating views about economic laws regarding the free determination of

prices have consequently given place, in increasing degree, to a belief in the possibility of definitively steering away, by means of State intervention, from the tracks of "blind" competition. After the partly successful war-time experiments with central management, this belief is threatening to pass into a faith in our capacity for getting along without a system of free market prices. As during the pre-war time State economic policy had already tended in this direction, it need now merely be a question of accelerating that process. I shall give a few examples of how the scope for free and decentralized market prices is being reduced and in certain cases is being superseded by central management. This may conveniently be done in immediate connection with the above enumeration of the defects of the free price system.

In certain spheres prices have been almost completely abrogated in their function of establishing equilibrium between supply and demand. The rates of exchange are not being permitted to fluctuate according to changes in supply and demand — during the gold standard period the free fluctuations permissible whithin the gold points fulfilled a certain function in this respect. The same remark applies, broadly speaking, to the rate of interest. Monetary policy, for example, is aiming at the maintenance of a certain level of interest, almost regardless of the temporary situation on the money and capital market. The function of the rate of interest, as the price paid for capital, in influencing saving and stimulating or discouraging investments is being relegated — in the public view — more and more into the background. The discount policy, which formerly was the principal, not to say the only, instrument for pursuing an economic policy with a minimum of disturbance in the free formation of prices, has now become merely a rather insignificant weapon in the arsenal of State economic policy.

### The price system and the full employment policy.

Faith in the power of a system of free market prices to solve the problems of full employment cannot be expected in the future to prevent radical interferences in the formation of prices and the distribution of income. In the face of a coming slump we shall certainly not have the patience to await the result of free adjustments in the price system. A stabilization of the total volume of income and purchasing power in the national community might indeed, in itself, be expected to enhance the effective working of a free price system. It may be anticipated, however, that such a stabilization would be effected in part by interference in the movement of prices, for example by attempts to stabilize important raw material prices, which would thus partially, or temporarily, be disconnected from the general process of price determination. More serious effects on the formation of prices would, on the other hand, ensue from the maintenance of a permanent boom in accordance with the objective of full employment.

When prices are moving freely, private enterprise must normally work with a certain, not unduly small, reserve of unutilized capacity as regards labour, stocks of raw materials and manufactures as well as equipment for production. The very mobility and elasticity in a decentralized system, which is largely guided by prices and thus by prospects of profit, implies the existence of such reserves. And the central position of the consumers, in particular, presupposes that producers and dealers will compete for their patronage. In a democratic community, where the satisfaction of the wants of consumers is the primary aim of economic activity, whilst the interests of producers should be regarded as of secondary importance, it is essential that producers and dealers should have to compete on a buyers' market.

During the extreme shortage of goods in war-time, when stocks and reserves of labour had been reduced to a minimum, we have seen many examples of how badly consumers could be treated, being actually obliged to content themselves with what was offered. Naturally, the existence of reserves in the above-indicated sense must not be carried to extremes, so as to entail an inadequate, depression-like, utilization of the forces of production. There is a scarcely definable optimum. In accordance with the bril-

liant idea on which the liberal price system is based, we should try to strike a balance between an existent general shortage of goods, which should be registered by the price mechanism, and an illusory superfluity, which compels the producers and dealers, in sharp competition, to do their best for the consumers. It is this sensitive balance that a drastic policy of full employment threatens to disturb. We may find ourselves landed in a rigid system without, or with insufficient, reserves, where a perpetually rising tendency of prices and wage rates will force the State authorities into more far-reaching interference in the formation of prices and wages than had perhaps been originally intended.

**Prices as regulators of income.**

The above-indicated consequences of the free determination of prices, which ensue from the inequalities in the distribution of incomes will obviously be mitigated by progressive taxation and an expansive social policy as well as by various subsidies and price abatements for important goods. The function of prices as regulators of demand, as "graduated deterrents", will thus be partially abolished. Indeed, the present tendency is moving, more and more distinctly, in the direction of limiting the function of prices as regulators of the market and of converting them, instead, into instruments for the regulation of *incomes*. Private companies to a large extent can now independently determine their prices and are tending to fix them so that the receipts will suffice not only to cover the costs of production and yield a fair profit, but also to facilitate the self-financing of investments made. Prices are thus to a large extent one-sidedly determined by the costs, whilst the classical theory stressed the interrelation of prices, according to which the costs must adjust themselves to the market price, even during a downward price movement. The wage policy now being pursued with increasing insistency may be considered to give rise to a unilateral upward adjustment of production costs, thus tending to increase the rigidity and inelasticity of the price system. Here we see that wage policy is being brought in as an important factor in the determination of prices. Shall we find, in case of an improvement of productivity in a certain branch of industry, that it is mainly being eaten up by increases in wages, or will it be expressed in reduced product prices for the benefit of *all* consumers? A tendency in the first-mentioned direction is making itself increasingly felt. But the latter outcome evidently conforms more closely to the classical scheme: The demand for particular goods should when productivity is largely incresad be stimulated by price reduction, and the forces of production thus be directed towards a more productive utilization.

A matter of still greater importance, however, is that developments are noticeably drifting towards a determination of prices on political lines, *i. e.* prices which will yield what is considered to be fair incomes for large social groups. Agriculture is the most salient example in this respect, but the system is spreading to other branches, partly as a consequence of wartime price policy. A general acceptance of the idea that the main function of prices is their effect on the regulation of *incomes* is bound to do away with their importance as regulators of the market.

All respect for, or let us say superstitious belief in, the mysterious laws governing the price system is vanishing, thus diminishing the possibility of mobilizing resistance to interferences in the free movement of prices. When criticism of the weaknesses and defects of the existing price system is combined with the demand for full employment and the tempting prospect of, politically or privately, utilizing prices as regulators of income, the general conditions for the functioning of the free market system of prices may well be expected to become more and more unfavourable. There is the risk that the weaknesses in a limping system may increase and we shall thus be forced into — or find welcome pretexts for — further restricting the freedom of the system. Under such conditions a cumulative tendency may arise, marked by increasing interferences in the movements of market prices. A growing rigidity and inelasticity in the price system would undoubtedly involve unfavourable conditions for an effective

functioning of free and decentralized private enterprise.

The prospects which have here been unfolded naturally do not imply that developments are *bound* to tend in the indicated direction. I have merely intended to stress the serious risk of such developments, intimating the reasons why this risk seems to be becoming imminent. It may, however, be countered by more effective competition among the producers and by a low-price policy, to the advantage of consumers, on the part of individual producers and combines — possibly under the auspices of State price-supervision. Setting aside the political constellations, pious wishes may also be expressed in regard to a rational programme of general economic policy which, to the greatest possible extent, would create favourable conditions for an elastic and effectively working system of market price formation.

But, even if these conditions and desiderata should be fulfilled, one — and a very essential — condition may be lacking. Under all circumstances, a matter of the greatest importance for the developments in question will be the configuration of the world around us. Should our foreign trade, in the main, be directed towards centrally regulated economies, our exports and imports will in all probability have to be controlled in regard both to prices and quantities, and the field for a tolerably free price system within the country will thus be considerably reduced.

Should, on the other hand, a relatively free world trade actually be re-established, the possibilities for an effectively working free price system in this country will be greatly increased, and the discussed tendency towards price control in various ways may possibly be neutralized. Sharp competition with imported products has always been found to be an effective weapon against monopolistic tendencies on the home market. Facilities for importation from a big world market may also create the potential reserve of supply of goods, which — as pointed out above — is an essential condition for enabling a policy of full employment to be pursued under conditions of a mainly free price system, without incurring unduly great risks of a continuous rising tendency of wages and prices.

# CONSOLIDATION OF JOINT STOCK COMPANIES

## WITH SPECIAL REFERENCE TO THE NEW SWEDISH COMPANY LAW

BY PROFESSOR O. SILLÉN

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### Some general rules of consolidation.

The larger the own capital of a company is relatively to its outside capital, the more solid it is. Greater solidity in this sense means greater security in view of the potential risk of considerable losses on the business, but also greater independence as against creditors.

This does not signify, however, that complete freedom from debt represents an ideal condition. In commercial and manufacturing companies it is not as a rule worth while to pay prompt cash to the suppliers. Discount for cash is seldom granted for a shorter period than 30 days from the date of the invoice. It can therefore usually be assumed that a sum approximately corresponding to deliveries of goods in the course of one month represents the smallest indebtedness occurring in practice.

If the capital requirements of a company are expressed in the total as shown in the balance sheet (the sum-total after deductions of provisions for adjustments, contingencies, depreciations etc.), the smallest indebtedness of such a company that occurs in practice will as a rule not be less than 5 to 10 per cent. of the total assets. This implies that, generally speaking, it is not advisable in commerce and industry to work with more own capital than 90 to 95 per cent. of the total. Experience, however, shows that it is usually possible, without any great risk of dependence, but with the prospect of greater profitability under normal conditions, to finance the business also by borrowing. How far it is desirable that indebtedness of this nature should proceed until optimal conditions, with respect both to solidity and profitability, have been reached, it is impossible to determine in general terms: the reply to this question will depend, for example, on the conditions in the branch, as well as on the composition and valuation of the assets. Industrial companies are usually considered to be well financed if their own capital represents about two-thirds of the total figure according to the balance sheet.

According to the same broad point of view, the financing of a company with 50 per cent. own capital might be considered the lowest desirable limit with due regard to solidity. The principal reason that can be adduced for such a rough rule is that independence will be better preserved if outside influences are not allowed to dominate. As soon as a company operates with more outside capital than its own, the risk of dependence on creditors will become progressively greater.

Obviously, however, the general rule thus formulated is subject to various important exceptions. First and foremost, consideration must be paid to the time during which the borrowed capital could be tied up in the company's business (without the risk of being called in), but also to the value and importance of the assets which the company has been obliged to pledge as a security for loans or goods credits, as well as to the possibility of placing such loans, instead, with other lenders.

Banks and other institutions carrying on lending business, are among the principal exceptions from the general rule. The reasons need scarcely be explained. It may suffice to note that the Swedish commercial banks in the course

of the last twenty years have operated on an average merely with about 10—16 per cent. own capital relatively to the total assets, and that corresponding figures for British banks probably are still lower. Nevertheless the solidity of the banks in question may be designated as very satisfactory.

As is generally known, it is considered that owners of residential houses or estates can, without risk, borrow on the security of such property up to 60 per cent. of its assessed value, in certain cases up to 75 per cent. This implies that in such real estate business own capital corresponding to about one-third of the book value of the property is regarded as sufficient (the book value of the property, as compared with its value as assessed for purpose of taxation, should, of course, be taken into account).

The above adduced examples of exceptions from the general rule may suffice for the present.

Another financial rule, frequently met with in American business literature,[1] is usually expressed by stating that an industrial company's own capital should be so apportioned that it covers the fixed assets and, if possible, also some part of the floating assets. The implication is that a newly started company should see to it from the very outset that its own capital will suffice to finance the fixed productive assets, after which the latter, in turn, may serve as security for the additional capital required for carrying on the business, and which can be procured by long-term borrowings as well as by current trade liabilities. This rule too is subject to several important exceptions, relating especially, on the one hand, to companies which have very considerable fixed assets, which can be pledged, with relative ease, as security for loans, such as real estate companies and power plants and, on the other hand, to industries whose durable investments constitute merely a minor part of the total assets, such as boot and shoe factories and the ready-made clothing industry. In the latter case the rule adduced is too lenient, in the former case unnecessarily severe.

The above financial rules are usually put forward with special emphasis when it comes to giving a newly started business enterprise a solid foundation on which to build, but they can quite as well be applied to companies already in operation. However, it sometimes happens that, though the solidity of a business may be perfectly satisfactory at the outset, the business is rapidly developed, so that the original proportions between its own and outside capital or between its own capital and the fixed assets gradually change for the worse. This may be due to losses on the business during the first few years after its start, but it is presumably just as often connected with a misguided dividend policy. It is in fact quite a common occurrence that the shareholders in successful undertakings demand that the major part of the profit shall be distributed as dividend or paid out in the form of salaries. The consequence is that not only the liquidity but also the solidity of the business is impaired owing to additional borrowing for the expanding operations.

A good rule therefore is to adopt a cautious dividend policy, which implies not only that a considerable part of the booked profit is transferred to the open reserves, but also that assets and liabilities are cautiously valued in the accounts, which is often tantamount to the creation of secret reserves. Both these measures are usually referred to when we speak of the *self-financing* of a company, and they are among the essential requirements for the consolidation of a company's finances. Some of the best reputed companies in this country have provided the larger amount of capital required in view of their growing business mainly by the issue of bonus shares (*i. e.* by converting the open capital reserves into share capital), and merely to a minor extent by cash subscriptions to new shares or by bond loans.

### The attitude of Swedish legislation to the consolidation of companies.

As a sound financing of business undertakings is not only in the interest of creditors and

[1] Launched in Sweden by the bank director, M. Wallenberg, Jr., in the pamphlet "Industriens finansiering" (Stockholm, 1934).

shareholders, but is also a matter of great importance for the employees, thus representing a social desideratum, certain elementary requirements in this regard have been set up in Swedish legislation. Practically speaking, however, the legislators have confined their attention to the joint-stock companies, although the financial conditions of individual firms and partnerships, in many cases, seem to be quite as much in need of regulation.

In regard to *the initial capital requirements of newly started companies,* merely very moderate regulations have been laid down.

The only general legal provision in regard to the financing of a company is that contained in § 6 of the 1917 Law relating to Insurance Business, in accordance with which the amount of "the share capital shall be determined with due regard to the volume and nature of the intended business". As regards *life* insurance companies, it is also provided that the share capital (or the minimum capital) may not be fixed at a lower amount than 25 times the highest life insurance sum for which the company, at the beginning of its operations, may, without reinsurance, assume liability in respect of the same risk (in annuity insurance, it is considered that the insurance sum should correspond to 15 times the annuity).

Regulations have moreover been laid down regarding the amount of the *minimum* capital in respect of "general" joint-stock companies (5,000 kronor), bank companies (1,000,000 kronor, in exceptional cases 500,000 kronor), insurance companies (5,000 kronor, in life companies, however, 100,000 kronor) and savings banks (as a rule at least 10,000 kronor).

It is evident that these minimum amounts may be found from the very outset to be too small "with due regard to the volume and nature of the intended business". In view of this, provisions have in fact been laid down in the Bank Law (§ 49) regarding the ratio between the deposits and "the company's own funds"; thus, in the larger banks the deposits, generally speaking, may not exceed 8 times the amount of the bank's "own funds", meaning the share capital and the reserve funds, but not the residual amount on the profit and loss account. Similar provisions are applicable to savings banks (according to § 25 of the Law of 1923), where the deposits (less certain liquid assets) may not exceed 30 times the own funds.

The above account of the legally prescribed ratio between a company's own capital and its outside liabilities, mainly in connection with the commencement of its operations, naturally does not claim to be exhaustive. In now proceeding to report the endeavours of the legislators to conduce to *the consolidation of business undertakings in operation,* attention will be confined to the conditions in "general" joint-stock companies, and special consideration will be paid to the provisions of the new company law of 1944.

As pointed out above, a conservative dividend policy is one of the principal ways of promoting the consolidation of a company, and this policy should not be confined to the disposition of the profit shown in the balance sheet, but should extend also to the principles of valuation on which the estimate of the profit is based.

The company law now in force (§ 56) has already dealt rather thoroughly with the principles of valuation in the balance sheet. In the law of 1944 (§ 100) these principles have been further elaborated, involving in some respects an extension, in others certain mitigations, of the rules now in force. — It seems unnecessary to enter into details here on this subject.

It should, however, be pointed out that, in connection with the drafting of the 1910 company law, it was emphasized that the regulations to be embodied in § 56 — still in force — were chiefly intended to prevent overvaluation of assets and not to prohibit undervaluation. The passage in question runs:

"When it now comes to embodying in the company law special rules for the drawing up of the balance sheets of joint-stock companies, the principal stress must obviously be laid on preventing *overvaluation* of the companies' assets. The balance sheet is the document on which the distribution of the dividend is based. If the assets are entered at unduly high values, the balance sheet will show a profit that does not correspond with the real situation. *Distribution to the shareholders of such a, merely fictitious, profit involves in reality, though not visibly, a weakening of the company's solidity*" (italicized by the author). "The very foundation of the company's existence, namely its share capital, may thus be shattered . . . The question of prohibiting undervaluation is quite a different matter . . ."

Observations in the same spirit were made by the Government Law Commission in submitting the proposals for new regulations regarding balance-sheet valuations, which have been embodied in essentials in the new company law, to be applicable as from the 1st January 1948. The following statement in the explanatory comments of the Law Commission (Stockholm 1941, p. 361) is of particular interest in this connection:

"Thus, according to our proposal, as in accordance with the law now in force, *secret reserves* may be formed by booking assets below their real value or by too high valuation of liabilities . . ., in so far as such procedure, in view of its extent or nature, is not deemed to be at variance with general rules of book-keeping and good commercial practice."

The risks involved in the creation and subsequent breaking-up of secret reserves are, however, at the same time emphasized by the Law Commission (pp. 361—362).

From the present points of view, however, special importance must be attached to the provisions in the company laws which directly relate to the disposition of the profit shown in the balance sheet. The most interesting of these provisions are *the rules for allocation to the Reserve Fund.*

In the company law of 1895, obligatory allocation of at least 10 per cent. of the year's profit to a Reserve Fund had already been prescribed; not until the fund amounted to at least 10 per cent. of the share capital might such allocations be discontinued. The law also contained regulations regarding transfer to the Reserve Fund of the premium resulting from issues of shares above par and of such sums as might have been paid in for shares before the right of subscription to them had possibly been forfeited. The sums transferred to the Reserve Fund were not to be used for other purposes than covering loss on the business as a whole.

With certain explanatory additions and extensions, these regulations were incorporated in the law of 1910 (§ 53).

The regulations in question were presumably merely intended to safeguard the solidity of the company in view of the possibility of losses being incurred. The Reserve Fund was to serve, so to speak, as a buffer which would first receive the shocks in case the profitability of a business were seriously impaired. This, at any rate, was the dominant point of view in the corresponding enactment in the German "Handelsgesetzbuch" of 1897, which contains the clause: "Zur Deckung eines aus der Bilanz sich ergebenden Verlustes ist ein Reservefonds zu bilden." (The German law, however, prescribed the allocation of merely 5 per cent. of the year's profit until the Reserve Fund amounted to 10 per cent. of the share capital).

However, the drafters of the above cited legal Swedish provisions do not seem to have intended to provide any protection against increasing dependence on outside creditors, which in the case of expanding business is, of course, particularly desirable. The intention to afford such protection, on the other hand, lies primarily behind the provisons in our new company law regarding allocation firstly to a Reserve Fund and secondly to a *Debt Regulation Fund,* as is clearly evident from the Law Commission's explanatory comments of the regulations in question.

### The more rigorous requirements of the new company law in regard to consolidation by allocation to funds.

In immediate connection with the question as to the amount of the share capital, the Law Commission makes the following comment (p. 37):

"The possibility of starting operations under the form of a joint-stock company on the basis of a relatively small share capital will thus still exist . . ., but the Commission has considered it desirable to propose certain funding regulations with a view to promoting the consolidation of the company, in case an increase in the balance-sheet total is based on indebtedness which is manifestly in undue proportion to the company's own capital."

Further on (pp. 268—269) the more modern views regarding the financing and consolidation of a business are developed, *e. g.* in the following passage:

"Experience shows that a company may be doomed to lag behind, or perhaps to succumb, in the competition, unless the business can be developed to a considerable extent, by modernizations and expansions requiring capital, with the aid of its own capital resources."

"That joint-stock companies should be consolidated and developed is also of consequence for the public welfare. This follows from the mere fact that the protection of the shareholders and creditors is an important social

consideration; in this country shares are widely spread and the joint-stock companies enter into credit relations to wide circles of the population. Moreover, in view of the importance of obviating disturbances in the sustenance of the population, the protection of the large number of employees in joint-stock companies against the consequences of the insolvency of the companies is a vital social interest. But also in other respects, in view of the dominating position of joint-stock companies in our industry and commerce, the promotion of the soundness and solidity of the company system must be considered to be a paramount social concern."

This statement throws into particularly clear relief the change in the attitude of the public authorities towards private business which is manifested in many places in the new Company Law.

The provisions here referred to will be found in §§ 71 and 72 of the new Company Law. The first mentioned of these paragraphs contains the regulations regarding allocation to the Reserve Fund. They deviate from the provisions now in force (§ 53) only in one important point, in that the allocation of at least 10 per cent. of the year's profit shall continue until the Reserve Fund amounts to *20* per cent. of the share capital (or to the higher amount that may be prescribed in the company's articles of association).

This provision involves a rather considerable increase of that part of a company's own capital which may not be reduced without the observation of special, relatively rigorous, legal provisions. But, in addition, the provisions of § 72 require a further reservation of the year's profit by allocation to the *Debt Regulation Fund*, in conjunction with a certain limitation of the dividend in respect of dividends to shareholders. The enactment in question runs as follows:

§ 72.

*Clause 1.* Even if the Reserve Fund amounts to a sum prescribed in § 71 or in the articles of association, an allocation of at least ten per cent. of the company's profit for the year shall be made to the Reserve Fund or to a Debt Regulation Fund, in case the company's liabilities according to the balance sheet exceed the sum-total of the share capital, the Reserve Fund and the Debt Regulation Fund.

So long as the company's liabilities exceed the sum-total of the share capital, the Reserve Fund and the Debt Regulation Fund, it shall not be permissible, from the company's profit according to the balance sheet, after allocation as prescribed in § 71 and above in the first clause of this paragraph, to distribute in dividend more than corresponds to five per cent. of the company's own capital according to the balance sheet, unless a further sum equal to the amount of the additional dividend is allocated to the Reserve Fund or else, when the Reserve Fund has reached the prescribed figure, to the Debt Regulation Fund.

When the sum-total of the share capital, Reserve Fund and Debt Regulation Fund according to the balance sheet exceeds the company's liabilities, the Debt Regulation Fund may be reduced, but not more than by one-fifth of the exceeding amount annually. The Debt Regulation Fund may also be reduced by transfer to the Reserve Fund. The Debt Regulation Fund in its entirety may be wiped off from the balance sheet when the sum-total of the share capital and the Reserve Fund for five years in succession has exceeded the liabilities.

*Clause 2.* In the application of the regulations laid down in clause 1, the following items shall *not* be included among the liabilities:

a) debt in respect of which the company has given the security of a mortgage up to sixty per cent. of the rated value, according to the latest assessment, of

agricultural estate;

estate, situated in a city, market-town or urban community, on which a building mainly containing apartments principally intended to be let for residential, shop or office purposes, has been erected; or

other property which, according to regulations issued by the Government, may be deemed to afford corresponding security;

b) debt to the Swedish Ship Mortgage Bank or other institution determined by the Government, in respect of which the company has given an approved security in the form of a mortgage on a ship.

Nor, if in respect of a parent company's debt a security of the nature referred to in the first section of this clause has been given by a subsidiary whose shares are owned as to more than ninety-five per cent. by the parent company or else by one or more such subsidiaries, or by the parent company and one or more such subsidiaries, shall such debt be included among the liabilities.

Where an advance payment on an order has been received, the sum advanced shall be reckoned as a liability, after deducting the value, as entered in the balance sheet, of what has been manufactured or produced with the aid of the advances.

From the financial rule mentioned in the introductory part of this article, according to which 50 per cent. own capital is considered, with regard to solidity, to be the lowest desirable limit, the above-quoted regulations differ in the following respects. Firstly, in the fact that the term "own capital" is replaced by what the Law Commission calls "the capital tied-up in the company", which primarily includes only the share capital and the Reserve Fund, but secondarily also the Debt Regulation Fund (on the other hand, no other part of the capital surplus); secondly in so far as certain specified items may be deducted from the sum-total of liabilities, which entails a number of rather important exceptions from the generale rule. — As regards the limitation of the dividend, it should be noted that the smallest permissible dividend is 5 % not of the share capital, but of the company's own

capital in its entirety (not merely the "tied-up" part thereof).

It would scarcely be possible, in a concentrated form, to explain the significance of these new regulations without giving a practical example.

**Example of computation of allocations to the Debt Regulation Fund and of the maximum permissible dividend.**

In the following balance sheet the items have been entered in accordance with the detailed instructions in § 101, only with some few deviations.

Balance sheet in thousand kronor (tkr).

| | | | |
|---|---|---|---|
| *Fixed assets, etc.* | | *Own capital* | |
| Agricultural & forest estate ..... (assessed value 1,000) | 800 | Share capital ..... | 2 000 |
| | | Reserve fund ..... | 400 |
| | | Profit carried over . (the particulars required acc. to § 101 clause 6 re disposition of preceding year's profit omitted here) | 40 |
| Factory plant (ass. value 2,200)..... | 2,000 | | |
| Residential & office building at Åstad assessed value 400) | 300 | | |
| Machinery, fittings, etc. ..... | 500 | Net profit for the year ..... | 160 |
| Shares: 4,000 in X Comp. ..... | 400 | | |
| Loans to subsidiaries | 50 | | |
| *Floating assets* | | *Long-term liabilities* | |
| Raw materials, etc.. | 600 | Bond loans ..... | 2,250 |
| Works in process... (thereof, paid in advance 100) | 450 | Bank loans ..... | 280 |
| | | *Advance payments on orders received* ... | 150 |
| Finished goods ..... | 200 | *Taxes* ..... | 170 |
| Debtors (thereof subsidiaries 75) ..... | 600 | *Short-term liabilities*. | 550 |
| Bank, & cash ..... | 100 | | |
| | 6,000 | | 6,000 |

Guarantees and contingent liabilities 1,500
(thereof, discounted bills 0)

*Pledges given:*

| | | |
|---|---|---|
| Mortgages on | agricultural estate ... | 550 |
| " " | residential estate .... | 280 |
| " " | manufacturing estate. | 1,500 |
| " " | movable property.... | 1,000 |

As the Reserve Fund already amounts to 20 per cent. of the share capital, it is decided to make the additional allocations that may be found necessary to a Debt Regulation Fund.

The sum-total of the liabilities shown in the balance sheet is ..... tkr. 3,400

The "sum-total of the share capital, Reserve Fund and Debt Regulation Fund" is ..... " 2.400

The difference between these two sums, or would now have to be covered by allocations to a Debt Regulation Fund if, in accordance with § 72, clause 2, certain exceptions had not been permitted. In the present case, in conformity with that clause, the following items shall *not* be included among the liabilities: " 1,000

1) "debt in respect of which the company has given the security of a mortgage up to sixty per cent. of the rated value, according to the latest assessment," of
   Agricultural estate (60 % of 1,000 makes 600, but pledged according to the item under "Pledges given", for) ..... 550
   Residential estate including office building, pledged for 280, but 60 % of assessed value is only ..... 240
2) that part of advances received from customers, 150, which corresponds to "the value, as entered in the balance sheet, of what has been manufactured or produced with the aid of the advance" (according to the debit item) ..... 100

The sum-total of these items, which need not be included among the liabilities, is ..... tkr. 890

The amount by which "the company's liabilities exceed the sum-total of the share capital, the Reserve Fund and the Debt Regulation Fund", acording to § 72, clause 1, second paragraph, is then ..... " 110

In computing the maximum permissible dividend, one must always proceed from "the company's surplus according to the balance sheet", which includes not only the net profit for the year, 160, but also the profit carried over, 40, or together ..... tkr. 200

From the said amount there shall now, in the first place, be deducted an allocation as prescribed in § 71 and in § 72, first clause, *i. e.* at least 10 per cent. of the net profit for the year (160), which shall be transferred to a Debt Regulation Fund ..... " 16

Out of the then remaining amount ..... tkr. 184 it shall, in the first place, "not be permissible ... to distribute in dividend more than corresponds to five per cent. of the company's own capital according to the balance sheet ...". — The Law Commission writes (p. 278) on this subject: "The company's own capital", signifies the company's assets after deduction for liabilities, reserves for depreciation and loss, according to the balance sheet". The assets, according to the balance sheet, amount to tkr. 6,000 and the liabilities to tkr. 3,400 (items for depreciation reserve or loss are not shown here).

The difference is *tkr. 2,600*, and five per cent. thereof is ..... " 130

When this sum has been deducted from the above remaining profit, there remains ... tkr. 54

Out of this sum, not more than half may now be distributed to the shareholders, or ... tkr. 27

If this is done, the same amount must be allocated to the Debt Regulation Fund. In that case the maximum dividend to the shareholders would be 130 + 27 or 157 tkr.

As, however, it is usually desired to fix the dividend at a whole number in percentage of the share capital (more rarely a half per cent.) and, as 8 per cent. of the share capital would

be 160 tkr., the dividend would normally have to be fixed at 7 % (7 1/2 % would also have been conceivable); this gives a total dividend of 140 tkr.

The shareholders, under this assumption, would receive, in addition to 5 per cent. of the company's own capital (2,600 tkr), *i. e.* 130 tkr., 10 tkr. more, whence "a further sum equal to the amount of the additional dividend" (*i e.* over and above 5 per cent. of the "own capital") must be "allocated to ... the Debt Regulation Fund". This signifies that the allocations to the Debt Regulation Fund should consist of the last-mentioned 10 tkr. as well as of the previously mentioned 16 tkr. (being 10 per cent. of the profit for the year), or altogether 26 tkr.

The disposition of the profit would therefore be as follows:

| | | |
|---|---|---|
| Allocation to Debt Regulation Fund ..... | tkr. | 26 |
| Dividend of 7 per cent. of share capital ..... | " | 140 |
| Carried over to next year ..... | " | 34 |
| | tkr. | 200 |

In regard to the possibilities of reducing the Debt Regulation Fund, it should be noted that transfers may indeed be made from it to the Reserve Fund; but that, if this is not done, one is not so bound in regard to the use of the sums by which the first-mentioned fund may permissibly be reduced as in regard to sums included in the Reserve Fund. In other respects, no comments are required here.

### Successive transition to the new regulations regarding allocation to the funds.

In companies where the share capital together with the Reserve Fund already exceed the liabilities according to § 72 of the new Company Law, it is to be recommended that all available profits, after regular dividends having been paid, should be transferred to the Reserve Fund, until it amounts to the prescribed 20 per cent. of the share capital. This should be made during the next years before the new Company Law has come into force. In so far as larger amounts than actually required have been reserved for the payment of taxes, the excess should preferably be transferred to the Reserve Fund.

Should the measures above referred to not suffice to bring the Reserve Fund up to at least 20 per cent. of the share capital, and should the share capital plus the Reserve Fund not amount to a total exceeding the liabilities according to the said principle of computation, it is permissible, under certain conditions, according to the new Company Law (§ 100, clause 2), to write up the value of the fixed assets and to use the sum in question for increasing the share capital by the issue of bonus shares. Such procedure, however, must be deferred pending the entry into force of the new law on Jan. 1st 1948. Before that date, a new issue of shares for cash subscription might, of course, be made. It is also conceivable that the liabilities might be reduced in connection with a diminution of assets, *e. g.* by the sale of assets not required for the business (certain bonds, shares or real property). The discounting of bills of exchange might answer the same purpose, as the total amount of discounted bills outstanding may, in accordance with § 101 of the new Company law, be entered as contingent liability.

Companies which during the war have shown large liabilities on account of contracts of delivery will presumably, during the coming, more "normal" times, considerably reduce that type of liabilities.

Whether it is desirable to convert secret reserves in form of undervaluation of stocks of goods or sundry debtors, into profits, in order to obtain facilities for larger allocations to the funds, will primarily depend on the company's dividend policy, which, in turn, will, of course, be governed by considerations of taxation.

### Exceptions from the regulations regarding allocation to a Debt Regulation Fund.

It should be noted that the regulations regarding allocation to a Debt Regulation Fund are applicable only to joint-stock companies which are subject to the provisions of the general Company Law.

In introducing the Government bill embodying this law, the Minister of Justice made the following statement:

"In regard to the regulations in § 78 (§ 72 in the law of 1944), I desire to point out that it is not intended that the provisions of the general Company Law shall be applicable to bank companies, insurance companies, companies which come under the Law of the 22nd June 1911 relating to certain companies which carry on lending business, including so-called mortgage companies and societies for the grant of long-term loans on leased building-plots, as well as railway companies and liquor control companies. The necessary deviating enactments should be issued in special laws on the subject. Similarly, the exceptions which may be required in regard to certain companies carrying on stockbroking business should be incorporated in the Law of the 16th May 1919 relating to stockbroking and stock exchange business."

In regard to power plants of large capacity, the Minister stated that they seemed to afford such security that certain alleviations could be granted, but that it did not seem to him expedient to lay down in the law itself any definite limit in regard to that proportion of the assessed value within which a mortgage would be deemed to be a good security. In view of this and certain other considerations, it was considered desirable to authorize the Government to issue administrative orders whereby certain kinds of property were declared to afford as good security as the real estate mentioned in the proposals of the Law Commission. Here there is thus a possibility for some kinds of companies to obtain certain alleviations.

### Concluding observations and criticisms.

The more stringent requirements in regard to allocation to the funds which are set up in the new Company Law will certainly tend to promote a consolidation of the Swedish general joint-stock companies. It is, however, not inconceivable that the interest which the Swedish company directors have shown, in recent years and with increasing frequency, in sound financial principles might have entailed nearly the same effect, even without special legislation.

The statistical material hitherto published in regard to the financing of Swedish joint-stock companies is not sufficiently well sifted, nor complete enough, to enable us to judge whether the permitted exceptions from the general rules will be found to be adequate to prevent injustices in the case of certain companies and branches. Certain brief reservations may, however, be made here.

It seems that the new regulations regarding the distribution of dividends will fall particularly hard on the Swedish shipyards. As far back as the nineteen-thirties the own capital of our largest shipyards amounted merely to about 20—30 per cent. of the balance-sheet total: whilst liabilities in the form of advances from customers represented 50—60 per cent. and the corresponding asset "uncompleted orders" 25—35 per cent. of that total. In 1944 the corresponding figures for the three largest shipyards were: own capital 10—14 %, advances 53—75 % and uncompleted orders 11—37 % of the balance-sheet total. Even if the last-mentioned figures were affected by special conditions (a large number of almost completed vessels could not be delivered on account of the mine barrier), this type of industry will certainly show, also in the future, very large liabilities in the form of advances, which normally would never have to be settled otherwise than with completed vessels; this form of indebtedness is apparently not regarded in financial circles as alarming, being rather judged on similar principles as the deposits in the commercial banks. In regard to companies of this type, the regulations in § 72 seem unnecessarily onerous and their mitigation is very desirable.

As pensions funds and other foundations for the benefit of employees are to be classed among the liabilities, allocations to such funds will presumably diminish in companies with a small capital relatively to the liabilities. As such a development would be very regrettable, it seems desirable that certain alleviations might be admitted, *e. g.* by permitting that some part of the debt to such funds, perhaps set off by certain assets, might be deducted from the liabilities.

Companies which have voluntarily created large secret reserves, or have been compelled so to do in view of the prohibition now in force against the writing up of fixed assets, will be more severely exposed to the effects of the new law than less solid companies. In companies with relatively small "own capital" the temptation to value the assets to high (*e. g.* by unduly

small reserves for depreciation) will presumably sometimes be too strong for the directors. There is also some risk of the watering of the share capital in connection with the writing-up of fixed assets.

On the other hand, we must not overlook the fact that the board of directors and, indirectly, also the auditors will have considerably greater responsibility than heretofore not only with respect to the due observance of the stricter regulations concerning balance-sheet valuations, but also in regard to the duty of endeavouring to promote still further funding of profits as well as to the solicitude for the liquidity of the company.

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# PROSPECTS FOR FRUIT-GROWING IN SWEDEN

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Fruit-growing, of course, is by no means new in Scandinavia. Its development can, indeed, be traced back to the Middle Ages, when the monks played an important part in the diffusion of gardening. Gardens and garden produce, however, were long regarded as luxuries, and not until the present century has fruit become a generally consumed food. The consumption of fruit has in fact undergone marked changes and has shown a gradual increase, which will doubtless continue. As such a tendency would certainly be of great benefit for the public health, it is to be hoped that, in course of time, fruit will be brought into general use as an article of food, like bread and butter. In consequence of the rationing system during the last world war, the importance of fruit-growing has emerged into particularly sharp relief. Foreign fruit has not been available during those years, and domestically grown fruit has barely covered one-half of the demand.

Centuries elapsed before the establishment in this country of rationally managed fruit-farms, which gave their proprietors or tenants full employment and adequate means of subsistence. During the nineteenth century the number of fruit trees in Sweden gradually increased, and in the course of the present century modern fruit plantations, which can vie with the best in other fruit-growing countries, have been established. Similarly, in some parts of Sweden, the cultivation of small fruits has latterly been conducted on a big scale and has been thoroughly rationalized.

In connection with the agricultural censuses taken every fifth year, particulars regarding fruit-culture have in latter times become regularly available, so that the course of development could be closely followed. The number of fruit trees in Sweden showed a very rapid increase during the nineteen-twenties and thirties, culminating before the severe winters of 1939—1942, when it was greatly reduced throughout the country owing to very serious damage by frost. As the plant material in the nurseries were also mostly ruined, new plantation could not be carried out on a scale large enough to replace the losses. The damages were most marked in regard to plums and pears, but apples and cherries were also considerably reduced in number. The growing of small fruits, on the other hand, was not so seriously affected by those severe winters and could be developed without disturbance.

At the latest stock-taking of fruit trees in 1943 the total number of such trees amounted to 8.2 million, of which 6.7 million were more than five years old and were classed among

trees of a bearing age. This signified a decrease of the bearing trees by 14.4 % since 1937, which must be entirely attributed to the above-mentioned damages by frost. The following number of trees aged over five years was recorded: apple-trees 4.17 million, pear-trees 0.90 million, plum-trees 0.73 million and cherry-trees 0.93 million. The apple is thus undoubtedly the most important kind of fruit in Sweden and occurs in the whole country from the county of Malmöhus in the south to the county of Norrbotten in the north. The other kinds of fruit, taken together, amount numerically speaking, barely to more than half the value of the apple. The distribution of fruit trees in the country is very uneven, owing to very marked differences in the conditions for fruit culture. Naturally the largest number of fruit trees are found in the southerly parts of the country, both as regards professional growing and culture for household requirements. About 17 % of the total number of apple-trees and 26 % of the total number of pear-trees in this country are found in the province of Skåne. Also in regard to plums, Skåne stands very high, but the county of Skaraborg in Västergötland can boast of a very large proportion of cherry-trees. Thus, no less than 15 % of the cherry-trees in Sweden occur in that county.

Though the area taken up by fruit trees is not statistically recorded, certain approximative estimates can nevertheless be made. On the basis of 25 sq. metres per fruit tree, which is a low estimate, we obtain a fruit-growing area of at least 49,000 acres. For the calculation of the average crop we have a good basis in the fruit crop returns of the Swedish Pomological Association, which have been published for the years 1941—1944 and comprised a considerable number of fruit-farms in different parts of the country. According to this investigation a crop of 20.5 kg per apple-tree, 17.2 kg per pear-tree, 9.3 kg per plum-tree and 6.9 kg per cherry-tree was recorded as an average for the said 4 years. In playing these figures to the total number of fruit trees, we obtain an average crop during these four years of about 115 million kg. This average, however, is somewhat too low for a longer period, as the fruit crops during the said years, owing to damage by frost, were rather small. The value of the Swedish fruit can be estimated at about 75 million kronor per annum.

Although the Swedish stocks of fruit trees are still distributed among a very large number of units, the tendency has shown increasing specialization. In certain fruit-growing areas, especially in Skåne, intensively managed fruit-farms, which are devoted solely to fruit-growing, have arisen in increasing numbers. There are thus individual fruit-farms, comprising up to 20,000 trees. There are a good many fruit-farms with a number of trees ranging between 1,000 and 5,000, but all these farms are concentrated in particularly favourable districts, such as Kivik, Båstad, etc. In Småland there are important fruit-growing areas at Urshult and the Tjust district as well as along Lake Vätter. By specialization it has been found possible to produce large uniform lots of first-class marketable fruit, and now that careful sorting and packing is generally adopted, it has been found that Swedish fruit can compete very well with foreign fruit. It has a decidedly better quality and a higher content of vitamin C. Unfortunately, the season is rather short, as most of the crop comprises autumn and early winter varieties. The cultivation of late winter fruit has not been conducted on a sufficiently large scale, chiefly owing to shortage of suitable varieties.

The cultivation of small garden-fruits appears to have occurred for about 200 years and to have undergone a steady development. The most common among the small fruits is undoubtedly the currants, which are rarely lacking in Swedish gardens. Also gooseberries, raspberries and strawberries are now regarded as household necessities and have therefore become very common in gardens. It may be stated that the percentage increase in the cultivation of small fruits has been considerably larger than that of other fruits. Thus the number of currant and gooseberry bushes increased by no less than 31 % during the six-years period 1937—1943. In the last-mentioned year there were 3.70 million currant bushes and 2.23 million gooseberry bushes in this country. They are, however, rather unevenly

distributed. Thus, the city and county of Stockholm showed the largest number of currant bushes, whilst the county of Malmöhus headed the list in regard to gooseberry bushes. The counties in the north of Sweden show rather modest figures. Each currant and gooseberry bush may be estimated to take up an area of 5 sq. metres, which gives a total for such bushes of 7,400 acres. The crop may be estimated at 12 million kg per annum, corresponding to a value of about 5 million kronor.

As regards other small fruits it is only raspberries and strawberries that are of any great importance. In 1943 the cultivation of raspberries was reported from altogether 2,500 acres and of strawberries from 3,700 acres. The area devoted to the growing of raspberries consists mostly of small lots, whereas the cultivation of strawberries in certain districts is conducted on a large scale in general farming. Some of the principal districts are Skåne, the Stockholm Archipelago and Helsingland. The average crop of raspberries may be estimated at 3 million kg and of strawberries at 6 million kg. Taken together, the crop of these fruits may be estimated at a value of 7.5 million kronor. The total area devoted to the cultivation of small fruits has been estimated att 13,600 acres and the annual crop at a value of about 12.5 million kronor.

The continued development of fruit-growing in this country can be carried very far, if the requisite economic conditions are produced. As regards tree-fruit, the production has not kept up with the increase in consumption. An increasing deficit has arisen, although the fruit crop has probably been doubled in the course of the last thirty years. This has been manifested in a larger importation not only of tropical fruits, but also of fruit which can be grown in Sweden. At the beginning of the last world war the consumption of fruit was approximately twice as large as the domestic production. This indicates very great possibilities of development. From the point of view of cultivation, it must be stated that the conditions in many places are very satisfactory. The soil as well as the situation come up to very exacting requirements, and the technique of fruit-growing does not leave much to be desired in the real fruit-growing areas. Attempts have been made to introduce novelties in this field and, in addition to Swedish local varieties, a large number of foreign varieties are being cultivated. The first ones, however, do not meet the requirements in regard to quality, and as the Swedish varieties as a rule ripen early, it has hitherto been difficult to obtain an even supply of fresh fruit during the season. In order that Sweden may be self-supporting in regard to fruit, the production must be approximately doubled. This, however, is not sufficient: a uniform supply must be arranged from early autumn to late winter. As, in general, we have sufficient fruit during the period up to the beginning of January and, in certain cases, even a surplus, the chief problem is to concentrate the larger production on tardy varieties, suitable for storage, especially of apples and pears. As regards the stone-fruit, plums and cherries, there is a larger need both for dessert-fruit and for fruit for canning purposes.

As regards small fruits, the supply has increased at about the same rate as the consumption, except as regards strawberries. Currants, gooseberries and raspberries are grown in small farms as well as in some larger ones. Hitherto there seems to have been no difficulty in finding a market for them. On the contrary, it appears that the preserving industry, during its rapid development, has been unable to cover its requirements of small fruits for the production of jam and other preserves. This shortage has been particularly marked in regard to strawberries, despite the fact that rather considerable areas have been added in recent years. We may venture to forecast a continued extension of the growing of strawberries and raspberries in particular, very large amounts of which can be used by the preserving industry. The tendency in fact seems to be towards the cessation of preserving in the homes and its transference to the modern canning industry, a development which is connected with social changes. It should perhaps also be pointed out that the preservation of fruit by the freezing method has now gained ground in Sweden. If it is adopted on a larger scale, the consumption of small fruits will prob-

ably be further increased and entail an extension of the market.

A question which has been briefly alluded to before, but which now will be further discussed, is the quality of the Swedish fruit. During the rapid development which has taken place in the course of the last few decades, with improvements in fruit-growing technique, rational methods for the destruction of pests and better marketing of the products, increasingly exacting demands have been made for better quality. It has been found that, whereas Sweden has advanced very far in the improvement of agricultural plants, the problems of plant breeding in garden culture have been greatly neglected. Individual seed firms have carried on a successful improvement of vegetables, but fruit trees and small fruits, which require a very long time for the production and testing of new varieties, have too long been neglected. This question was taken up at Alnarp in the nineteen-twenties and in the course of some twenty years various basic investigations in regard to the breeding of fruit trees and small fruits have been conducted. Although these studies have not been made on a very large scale, important practical results have nevertheless been attained. Thus, several new crossings of apple and a small number of crossings of pears and plums are being tested. As regards raspberries and strawberries, the work is proceeding at a somewhat rapider rate. Among the kinds of strawberries which have already been put on the market, *Inga* has proved to be very important both for dessert and for preserves.

In 1941 an association for the breeding of Swedish fruit trees was started by Swedish fruit-growers. In 1942 it commenced operations on a property bought for the purpose in the vicinity of Kristianstad. The breeding of fruit trees is now in full swing, but the practical results, of course, are not yet forthcoming. As the methods of breeding are somewhat different for different kinds of plants, it seems best to deal with each kind of fruit separately, indicating the principal aims.

The qualities of the apple will be found to have been immensely improved, if the varieties now cultivated are compared with those from earlier periods. By natural selection and by utilization of deviating types which happen to have arisen, improvements in many respects have been successively obtained. Without the adoption of purely scientific methods of plant breeding, local varieties have been reared in this simple way in several places. Such varieties of apple have been known since the seventeenth century and occur from Skåne right up to Västerbotten. Among the best-known of them, mention may be made of *Säfstaholm* and *Åkerö,* which are hardy and can be cultivated almost throughout the country. Another, more local, variety which has acquired great importance, is *Stenkyrke* from Gotland. In default of scientific testing, the estimates have been rather subjective and have often been made without any extensive material for comparison. A large number of foreign varieties have been introduced on account of their good qualities, but, in many cases, they have shown defects in some respect or other when grown under Swedish conditions. The State Horticultural Research Station has, however, now organized, on a considerable scale, the scientific testing of fruit varieties at different places, in order to obtain a reliable estimation of the utility and merits of existing varieties.

As a primary aim for the improvement of apples, the production of late-ripening and durable varieties, adapted to Swedish climatic conditions, can naturally be set up. The production of such varieties, however, should be conducted on scientific basis with a large material for selection. When it had been found by investigations in Sweden and abroad, that two different chromosome numbers, namely 34 (diploid) and 51 (triploid), occur in the varieties of apples, it was soon ascertained that the higher chromosome number in the triploids entailed an intensification of certain important properties. Thus it has appeared that most of the triploid varieties are very luxuriant in growth and as a rule give a very high yield of durable fruit, with a high content of vitamin C. If therefore triploid types could be produced on a large scale, it would be possible rapidly to improve quality of apples in the desired direction. For such rearing of tri-

ploid apples, however, access to types with a still higher chromosome number, namely so-called tetraploids with 68 chromosomes, will be required. This was clearly realized by the fruit-breeders as far back as the nineteen-thirties, and one of the leading United States experts on the breeding of apples pointed out in 1937 how important it would be if triploids could be produced on a large scale, but also emphasized that tetraploid types must first be produced.

By that time, Professor H. Nilsson-Ehle at Svalöf had already taken steps for the rearing of tetraploids, and had succeeded in the attempt. In a copious progeny of triploid types, such as *Gravenstein, Belle de Boskoop, Canadarenette, Ribston* and *Järnäpple,* several tetraploid plants have arisen. The first of them were observed in the progeny of *Belle de Boskoop* as far back as 1937. The material was afterwards submitted to the Association for the Breeding of Fruit Trees, and, on continued investigation, various new tetraploid types were found in the progeny of all the above-mentioned varieties except *Gravenstein.* These plants are of the greatest interest for the breeding of apples, and when they blossomed for the first time in 1943 they were used for crossing with hardy diploid varieties. During the last few years a large number of such crossings have been made for the purpose of producing triploid types of apple, and in the breeding material there are already several thousand triploid plants, which is rather remarkable, seeing that merely a small number of triploid types had arisen in nature. By crossing between the tetraploids themselves, it was found possible to produce a large number of new plants with this high chromosome number. The method of breeding, which aims at raising the chromosome number in fruit trees, involves very great prospects for Swedish fruit-culture. By selection in the above mentioned material it should be possible to rear types with a satisfactory hardiness and high yield of durable fruit. Other breeding methods should, however, not be entirely neglected. By crossings between diploid types, which severally show certain good qualities, it should be possible to produce better combinations of *e. g.* hardiness, yield, resistance to plant diseases, good quality and durability of the fruit, etc. The plant-breeding experiments carried on abroad have already made very great progress in this way. By utilizing their experiences and by the adoption of the new methods, we have the prospect of improving the production of apples very considerably within a rather short space of time. As the most important crossing varieties, mention may be made of *Cox's Orange, Cox's Pomona, Åkerö, Wealthy, Boiken* and *Mc Intosh,* which severally possess eminent qualities, but which at the same time show defects in some other respect. The expected new combinations of qualities might entail the production of very valuable varieties. Thus, for example, it would be of very great importance if a type of apple could be produced with the same quality as *Cox's Orange,* but with a two-months' longer durability and better winterhardiness.

It is not sufficient to produce noble varieties for cultivation. As they cannot be multiplied from seed, arrangements must be made for a suitable medium on which they can be grafted or budded. The importance of the stocks has been increasingly realized, according as the problems of fruit culture have been taken up for investigation. Just as there is great variation in the scions, the stocks are very different and set their mark on the grafted variety in regard to growth, fertility, size of tree, quality of fruit, etc. It is therefore of the greatest importance to rear hardy stocks, adapted for the varieties grown in Sweden. A general desideratum is to obtain stocks which will give rise to small trees with early fertility and which are easily tended in various respects. The breeding of Swedish stocks has in fact already been started, and great expectations may be set on it, even if a considerable space of time vill be required for the testing of such types before they can be introduced on the market.

All the varieties of pears grown in Sweden are derived from *Pyrus communis,* but in America other species also have been used for the breeding of suitable stocks. Unlike the apple, the pear shows merely a small number of Swedish varieties, which in regard to quality are, generally speaking, inferior to the foreign varieties im-

ported into this country in the course of years. In view of this fact, one might perhaps expect still greater progress from the breeding of pears than has been attained in regard to apples. We have access to rather good autumn varieties, but lack durable winter pears of good quality. The breeding of pears must therefore largely aim at the production of better and more durable quality pears. This work, which has already been commenced by crossings between *Johantorp* and *Doyenné du Comice,* has held in view the rich fertility and durability of *Johantorp,* which can be extended up to about Easter, and the excellent quality of *Doyenné du Comice.* This is a good example of crossing and the result can scarcely fail to appear if the material is sufficiently large. As other examples, we may mention the combination of quality and durability, resistance to fungi and suitability for canning, etc. As in regard to apples, both diploid and triploid varieties of pears have been found. The latter, as a rule, give a higher yield and are more durable, whence in this case also much is to be expected from breeding for the purpose of increasing the chromosome number. Tetraploid types of pear with the chromosome number 68 have been found both in England and the United States, and in Sweden such plants have been artificially produced with the aid of colchicin. When these plants after a year or so develop flowers, it should thus be possible to rear triploid seedlings of pears on a large scale, which will apparently in the future have revolutionary effects on the varieties of pears.

As stocks for pears, different types of quince and seed-stocks of pears are employed. The first-mentioned are valuable on account of the weak growth and earlier fertility which they entail, but unfortunately they are winter-hardy only in the southern part of the country. The seed-stocks vary and as a rule produce too large trees with too late fertility. It is therefore a very important problem to produce, as soon as possible, hardy and nevertheless weak-growing stocks for pears.

The stone-fruits, plums and cherries, can be greatly improved and be better adapted to Swedish conditions than is now the case. Several foreign varieties of plums in good summers can yield a crop of very good quality, but in moist and rainy autumns the quality is often inferior. Moreover, foreign plums are often deficient in hardiness. For this reason special attention should be paid to the stocks in regard to hardiness and growth. It would be very important if more weak-growing stocks with good hardiness could be produced.

In regard to cherries a considerably increased cultivation may be expected when new Swedish varieties are brought on the market. Most of the foreign varieties of sweet cherries were greatly damaged during the severe winters of 1939—1942, whence the problem of hardiness may be regarded as of paramount importance in the breeding of cherry-trees. Sour cherries are much hardier, but they could be improved in other respects and be made serviceable *e. g.* for the production of fruit juice on a large scale. An important problem in the cherry-growing is the oozing of resin, which apparently is closely connected with the question of the stock. Concurrently with the breeding of the desired varieties, very great attention must be devoted in this case to the stock. It would be desirable to obtain dwarf trees also of cherry, but a weak-growing, hardy stock adapted for cultivation in Sweden, would be required for the purpose.

The improvement of small fruits may be estimated to yield results in a relatively short time. At Alnarp certain varieties of gooseberries which show a very good resistance to mildew have been bred; this is of the greatest importance, as that disease has at times retarded the cultivation of gooseberries in this country. Special attention must be called to the variety named *Scania,* as, besides resistance to plant disease, it has shown a very good hardiness and therefore adaptibility for growing also in northern parts of the country. It produces rather small fruits, but new and better combinations might be obtained by crossing with the large-fruit varieties *London, Achilles,* etc. Here there is a very wide field for crossings between large-fruit types and hardy Swedish local varieties. Some experiments to that end are proceeding at Alnarp.

Black and red currants are very easily cultiva-

ted, but show very great variation between different sorts. Red currants are very hardy and grow wild over the whole country. Our most common varieties of black currants, however, are not sufficently hardy in the northernmost counties. Here, however, we have found wild-growing types which are adapted precisely for these northerly conditions, but otherwise have certain less desirable qualities. In this case great progress may be attained by crossing.

Gooseberries and currants both belong to the genus *Ribes,* and all the hitherto known species have the chromosome number 16. Latterly we have produced at Alnarp certain high-chromosome types, which, though they cannot be judged at present, will presumably be of value for breeding. Some importance in this respect can be attached to hybrids between different species of the genus *Ribes.*

All the varieties of raspberries grown in Sweden are of foreign origin. They have therefore not been well-suited for growing within large areas, and it has been found necessary to maintain a rather large number of varieties. The breeding of raspberries at Alnarp, which has comprised various crossings, has already resulted in the production of several promising new types. A couple of varieties, selected from the crossing between *Pynes Royal* and *Marlborough,* seem likely to be of special value. In addition to high yield and good quality, they have shown a quite satisfactory hardiness. Quality is a very important consideration in regard to raspberries and will perhaps become of still greater importance in the future if preservation by the freezing method is adopted on a larger scale.

Strawberries are often adduced as examples of the value of high-chromosome species in comparison with low-chromosome species within the same genus. Our wild-growing strawberries have the diploid chromosome number 14, whereas all the cultivated varieties of garden strawberries have the chromosome number 56. The number of varieties of strawberries is very large, and in all countries continuous attempts have been made to improve the quality. As an excellent result of breeding, attention may be drawn to the American variety *Southland,* which in regard to yield, even when cultivated in Sweden, is superior to all previously known kinds. It is used on a large scale in crossings at Alnarp and, in combination with the Alnarp variety *Inga,* valuable results will apparently be obtained. In the cultivation of strawberries, varieties suitable for dessert as well as for preserving are required, besides which special varieties will presumably be needed in the future for preservation by the freezing method.

Summing up, it may be emphasized that the breeding of fruit trees and small fruits in Sweden will doubtless entail far greater possibilities of production, thanks to larger yield, greater resistance to diseases, higher quality, etc. As regards the cultivation of tree-fruit, high-class winter varieties of apples and pears will doubtless conduce to prolong the season of consumption, which is perhaps the chief essential in order to obtain a good market in the future. Also the cultivation of small fruits can be made much safer than heretofore if we have an adequate supply of sturdy varieties with good winter-hardiness and resistance to plant diseases, as well as a quality corresponding to the requirements both of the consumers and of fruit-preserving industries. The technique of fruit-culture is now on a very high standard, but first-class material is also required in order to attain satisfactory results. Referring to the above figures for production, it need merely be added that an average increase of the Swedish fruit crop by one per cent. would enhance its value by nearly one million kronor.

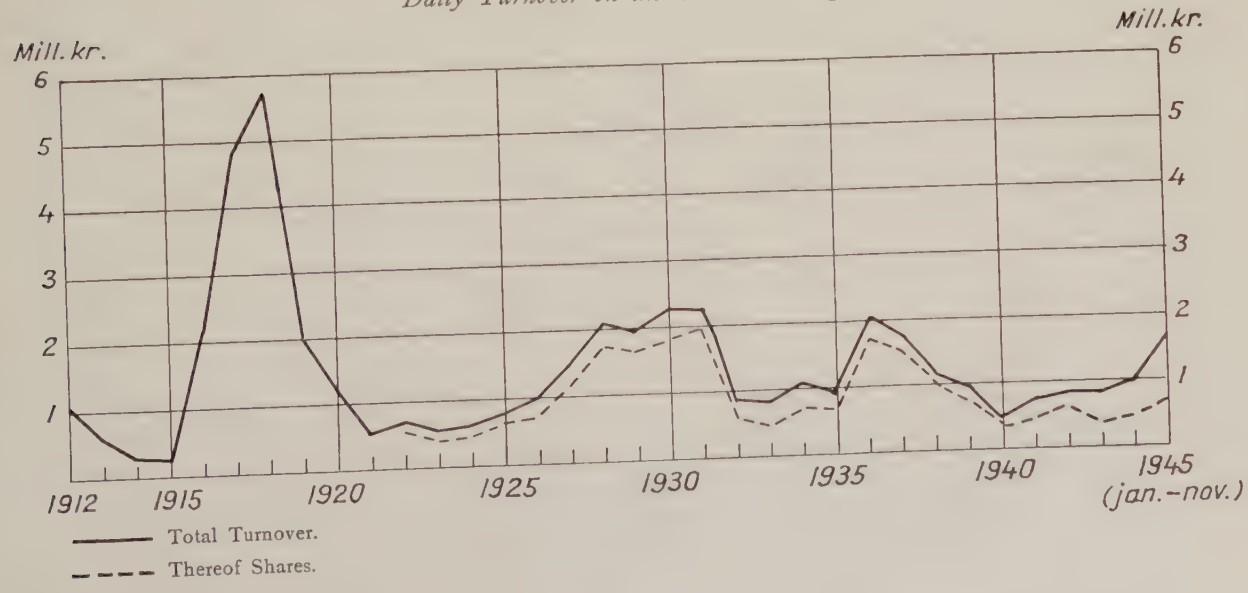
# THE SHARE AND BOND MARKETS DURING THE WAR

During the first stage of the war the situation on the share and bond markets was, of course, greatly affected by war events. Subsequent developments on those markets were determined, in increasing degree, by the State monetary and loan policy. Measures for the prevention of inflation conduced to limit the rise of share prices, whilst the Government loans resulted in a great expansion of the bond market. For the first time in the history of the Stock Exchange, the dealings during the last three years have comprised more bonds than shares.

The period from the beginning of the war to the occupation of Denmark and Norway and the laying of the mine barrier in the Skagerrak in April 1940 was marked by an increasing tightness of the money market, due to a large public and private demand for money in connection with the calling-up of conscripts, the speeding-up of the importation of raw materials and the consignments for the relief of Finland during the winter war. This tightness culminated in May 1940, when the cash reserves of the commercial banks were reduced by nearly 500 million kronor as compared with the position at the beginning of the war, and the rediscounts of the banks in the Riksbank had swollen to nearly 300 million kronor. In the course of the period from August 1939 to April 1940 the Stock Exchange quotations for industrial shares had fallen by 25 to 30 per cent., and the fall of bond prices corresponded to a rise of the yield on 3 % Government rentes from 2 3/4 to 4 1/2 % and on first-class industrial loans from 3 to 7 1/4 %.

When importation had been stopped by the mine barrier in the Skagerrak and national defence works had started in earnest, so that large Government orders had been placed with certain industries, a sweeping change set in on the money market. Money began to flow into the banks in consequence of the large State expenditure, the working-off of stocks of industrial products, the realization of fixed capital by timber-cutting and the slaughter of live stock.

*Daily Turnover on the Stock Exchange.*



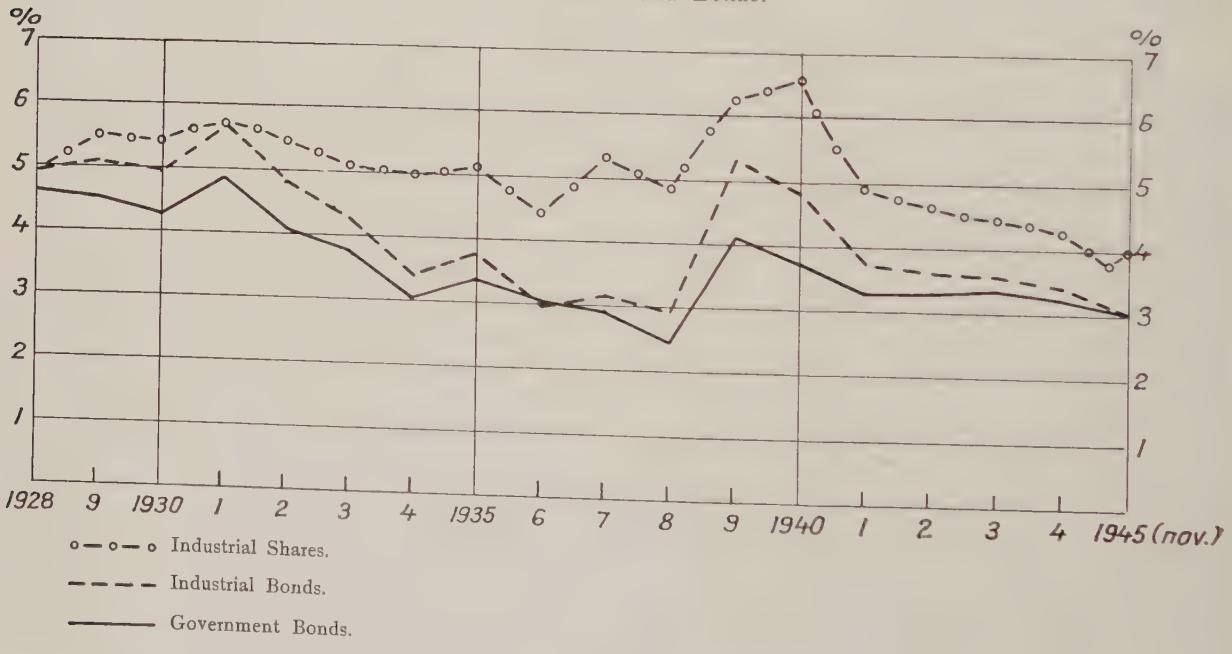
In the late summer Government borrowing on the public market was in full swing. By its loan and monetary policy, the State obtained a firm hold on interest rates, in that the long-term market was kept in equilibrium by the Government loans, whilst the short-term market was glutted. The excess State expenditure, especially during the first stage, led to a general inflationary tendency. Gradually, however, the situation was stabilized, thanks to price-limiting measures on the part of industrial federations and the authorities. This stabilization was given a firmer basis after the introduction of drastic increases in taxation and after the effectuation in 1942 of the general price and wage stop.

### The Stock Market.

As above mentioned, the prices of industrial shares during the period from the outbreak of the war to April 1940 fell by 25 to 30 per cent. A rising tendency, however, set in after the first quarter of 1941, and by the end of that year quotations for shares had been restored to near the level of peace-time. Subsequently, share prices fluctuated within rather narrow limits until after the beginning of July 1944, when a rise set in owing to the expectation that the war would soon come to an end and that the leading export industries would then be well employed. Towards the end of last year share prices showed a general falling tendency in consequence of the difficulties encountered by industries in procuring raw materials as well as the uncertainty regarding the significance and scope of the demands put forward for measures of nationalization. A diagram showing the movement of share prices will be found elsewhere in this number.

The tendency on the stock market is thus in glaring contrast to the almost unchecked inflationary boom that prevailed during the former world war. Another important circumstance that conduced to steady the stock market during the past war was the limitation of the dividends to which the companies at first voluntarily subjected themselves, and which was afterwards made obligatory by law. For 54 industrial companies the aggregate dividend on shares listed on the Stock Exchange amounted to 99.1 million kronor in 1938. In 1940 the aggregate amount of the dividend had fallen to a bottom figure

*Yield on Shares and Bonds.*



of 92.4 million kronor, and in 1944 a top figure of 105.5 million kronor was reached: the variations were thus but little marked. In this estimate no account has been taken of dividends due to increases of share capital by new issues.

Nor does the movement of share prices indicate that the public had speculated on appreciable increases in profits. Apart from the two first years of the war, when, in view of the menace of war, the level of share prices was particularly low, the prices of industrial shares corresponded to a yield of between 4 and 5 %, as compared with 5.3 % in 1928—33 and 4.9 % in 1934—38. Thus, the dividend, in percentage of the market prices as at the 31st December, during the period 1941—44 fell from 4.9 to 4.2 %, whilst the yield on first-class industrial bonds decreased from 3.7 to 3.4 %. Owing to the rise of share prices last year, the figure for the yield on industrial shares towards the autumn of 1945 fell to 3 3/4 %, but towards the end of that year had risen to 4 % in consequence of the above-mentioned fall of prices at that time.

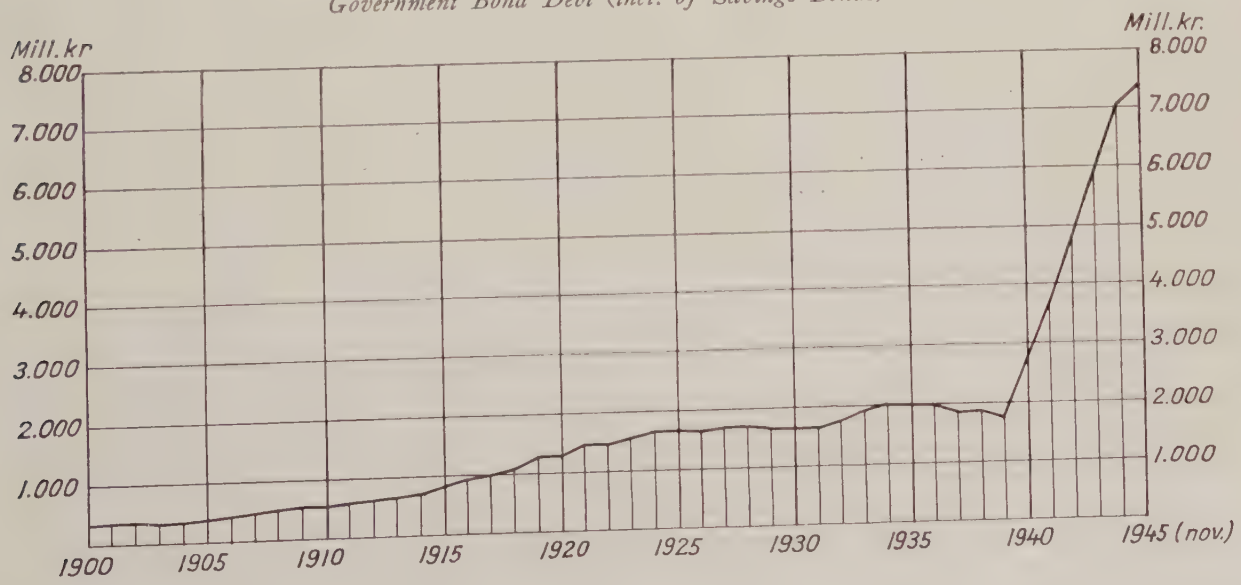
### The Bond Market.

Both world wars entailed a considerable expansion of the Swedish bond market. The reasons for this, however, were in part due to quite different circumstances.

Before the first world war a very large proportion of the Swedish bonds was in foreign hands. In 1908, when Sweden's total bond debt amounted only to about 1,800 million kronor, 53 per cent. of this amount, or more than 955 million kronor, was placed abroad. The commercial blockade during the war 1914—18 affected the imports to a far greater extent than the exports, the result being large surpluses of exports, which were used to a considerable extent for purchases abroad of Swedish bonds. During the war years those purchases amounted to over 400 million kronor, and for the period up to the year 1921, inclusive, to 790 million kronor. These figures, however, should, strictly speaking, be reduced to allow for a possible export of bonds to an unknown amount. Sweden's bond debt was moreover greatly increased owing to State expenditure during the war. Chiefly for that reason, the Swedish bond debt at the end of 1921 had swollen to 4,090 million kronor, of which merely 10 to 15 per cent. was in foreign hands. From this period we must date the real origin of the Swedish bond market.

During the past world war the increase in the Government debt was, practically speaking, the

*Government Bond Debt (incl. of Savings Bonds).*



sole cause of the immense expansion of the bond market. From the beginning of 1938 to September 1945 the Government bond debt had in fact swollen from 1,841 to no less than 7,368 million kronor, whereas the aggregate amount of the other Swedish bond loans was on about the same scale as before, the figures being 3,451 and 3,684 million kronor, respectively.[1] On the other hand, the net purchases of Swedish bonds from abroad during the war were confined to a value of about twenty million kronor.

The tendency of interest rates has gone in the direction of cheap money. After the above-mentioned fall during the first six months of the war, bond prices have risen almost without intermission; this tendency was accentuated by the general reduction of interest rates in February 1945. The pre-war 3 per cent. level for first-class bonds was thus recovered. In consequence of the very large demand for good investments, the previous differentiation between the yield on different types of bonds has now diminished or has been completely eliminated.

*Yield on shares and bonds, in percentage.*

| | Shares | Industrial bonds | Government bonds | Non-tied mortgage loans of savings banks |
|---|---|---|---|---|
| | | | | Annual average |
| 1928—33 | 5.32 | 4.94 | 4.33 | 4 85 |
| 1934—38 | 4.92 | 3.23 | 2.96 | 3.24 |
| 31/12 1939 | 6.23 | 5.31 | 4.10 | 2.95 |
| » 1940 | 5.55 | 4.80 | 3.69 | 3.90 |
| » 1941 | 4.91 | 3.71 | 3.24 | 3.87 |
| » 1942 | 4.60 | 3.62 | 3.28 | 3.55 |
| » 1943 | 4.44 | 3.57 | 3.33 | 3.53 |
| » 1944 | 4.24 | 3.40 | 3.26 | 3.505 |
| 30/11 1945 | 4.00 | 3.05 | 3.05 | |

*Note.* The yield on industrial shares for respective dates is based on the then latest declared dividend.

From the reports of the Swedish Bank Association regarding the stock of bonds at the beginning of the years 1938 and 1944, it appears that the aggregate annual interest payments at those dates amounted, respectively, to 209 and 333 million kronor, or 3.96 and 3.37 % of the face amount of the bond debt.

**Foreign Securities in Swedish Hands.**

During the war foreign transactions in Swedish securities have been on a very small scale. The import and export of foreign securities has been somewhat larger. During the period from the beginning of October 1939 to the end of June 1945 foreign securities with a total value of 73 million kronor were bought abroad, whilst the sales to foreign countries amounted to 161 million kronor, all reckoned according to the price actually paid. The net sales, viz. 88 million kronor, amount, however, merely to a small fraction of the Swedish holdings of foreign securities, chiefly bonds. In fact, during the inter-war period foreign bonds were placed in Sweden on a very considerable scale. Solely during the years 1928-39 — in regard to which statistics for the import and export of securities are available — there was a net import of foreign bonds and shares with a total market value of 508 million kronor. But also before that similar purchases had been made on a large scale.

On two occasions, namely at the end of the years 1933 and 1943, an official survey has been made regarding the Swedish holdings of foreign bonds and, at the last-mentioned date, also of foreign shares. The result is tabulated below.

*Foreign securities in Swedish hands.*

Face amount in mill. kr.

| | 31/12 1933 | 31/12 1943 |
|---|---|---|
| Denmark, Finland and Norway | 275.5 | 412.3 |
| Greece, Poland, Roumania, Germany and Hungary | 1,012.4 | 804.8 |
| Other countries | 123.8 | 128.4 |
| Total | 1,411.7 | 1,345.5 |
| Shares in foreign companies | ? | [1] 868 |
| Thereof, in Swedish subsidiaries | ? | [1] 602 |

Among the bonds included in the above table at their face amount, we note firstly the Swedish holdings of the loans issued by the other Scandinavian countries and Finland, the amount of which during the ten years period 1933 to 1943 increased from 276 to 412 million kronor, as well as the German, Greek, Polish, Roumanian and Hungarian bond loans, the Swedish holdings of which had fallen from 1,012 to 805 million kronor. Loans from other countries amounted at the beginning and end of the period to roughly the same total, 124 and 128 million kronor, re-

[1] Detailed figures on the subject are given elsewhere in this number.

[1] Face amount, where it could be ascertained. Otherwise the value according to quotation on foreign stock exchanges.

spectively, and a similar remark applies to the value of the total Swedish foreign bond holdings, which in the course of that period had been reduced from 1,412 to 1,345 million kronor. In 1943, moreover, shares in foreign companies other than Swedish subsidiaries, with an aggregate value of 266 million kronor, were in Swedish hands.

These investments have largely been a disappointment. As regards the Scandinavian and Finnish loans, the war has entailed sharp falls on the respective foreign bourses, whence Swedish insurance companies, etc., have been compelled, at any rate temporarily, drastically to write down their investments in those loans. Bond loans issued by Germany and other above-mentioned countries in Central- och Southern Europe have defaulted, in that sinking-fund payments and, in several cases, also the interest service have been suspended. Corresponding Swedish bond holdings have been considerably written down, and in a good many cases losses on these transactions have been finally incurred in sales of the securities in question.

In addition to the export of capital involved by these Swedish holdings of foreign securities, Sweden has latterly contributed to the work of reconstruction in different countries with amounts which at the beginning of November 1945 totalled about 2,700 million kronor. Out of this sum, 400 million kronor corresponded to contributions from private persons and corporations, the remainder, 2,300 million kronor, being derived from the State. Grants totalling 1,130 million kronor have been made in the form of reconstruction credits. This entire relief action thus absorbs an amount which is larger than one-third of our entire national debt and is more than twice as large as the face value of our previous investments in foreign bonds. Thus, despite the disappointments which these previous investments have caused us, we have tried, within the limits of our capacity, to give considerable support to the war-devastated countries.

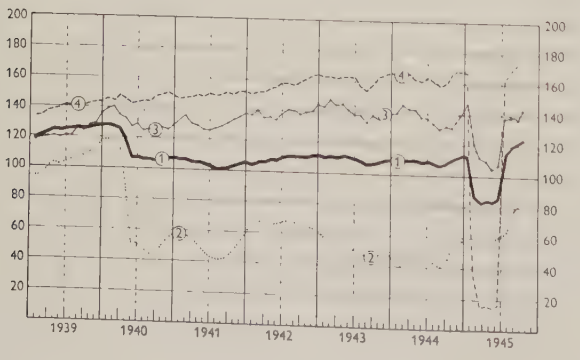
# THE ECONOMIC SITUATION DURING THE FOURTH QUARTER OF 1945.

**The General Situation.** Foreign trade, which in Sweden plays a particularly important part in the employment and standard of life of the nation, after the end of the European war has again assumed a considerable scale. This revival, however, is largely due to temporary circumstances, in that exports have been very powerfully stimulated by the State credits, amounting to nearly two milliard kronor, which have been granted for the promotion of the work of restoration in other countries. At the same time great difficulties have been encountered in resuming importation even as regards countries which have availed themselves liberally of the Swedish export credits, and indeed in procuring the foreign fuels and industrial raw materials that would facilitate a continued export of industrial products. The temporary increase in the export trade is also connected with the fact that it largely represents wood products that had previously been stored. Though the payment for these deliveries has not been particularly remunerative, the financial position of the timber-product industries, as shown in the books, has been improved by the diminution of stocks. Industrial production is at present on a level with the period immediately preceding the war, and the high degree of employment in this country is also partly due to the large demand for labour for the building of dwelling-houses and forestry work. Despite this high level of employment, however, the feeling in industrial and commercial circles is marked by considerable uncertainty in view of apprehensions of material and political difficulties. On the stock market, this critical view of the situation has long been manifested in falling share prices and the small scale of Stock Exchange transactions.

The State budgetary deficits for the six financial years from 1939—40 up to 1944—45 have aggregated to 6,529 million kronor, or, on an average, to 1,088 million kronor per financial year. During the budgetary year 1940—41 the deficit reached its maximum at 1,378 million kronor, after which the figure has steadily fallen, down to 853 million kronor for 1944—45.

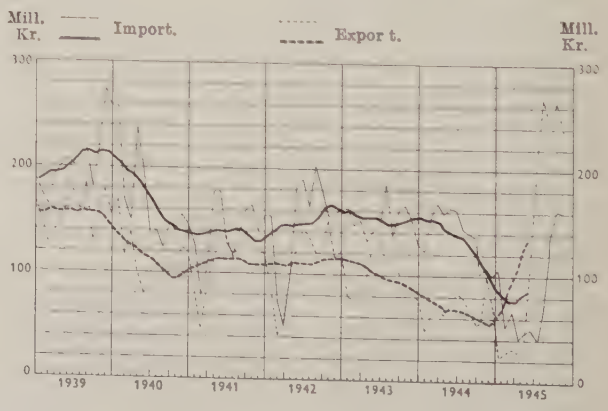
*Federation of Industries Production Index.*
(1935 = 100.)

1. General Index.
2. Pulp and Paper Industries.
3. Iron and Steel Industry.
4. Engineering Industry.




*Foreign Trade.* (*Million Kr.*)

(Thick lines denote current 12-month averages.)



In the present situation it is chiefly the State credits for exports, which may affect developments in the direction of inflation.

The deposits in banks and in agricultural credit institutes have still continued to increase. At the end of the third quarter of 1945 the aggregate deposits in those institutions had reached the new record figure of 13.8 milliard kronor, as compared with 8.4 milliard kronor before the war, the deposits in the commercial banks having swollen to 6.8 milliard kronor, as against 4.0 milliards before the war.

*Deposits in banks and in agricultural credit institutes in Sweden (Mill. kr.)*

| | 31/12 1938 | 31/12 1944 | 30/6 1945 | 30/9 1945 |
|---|---|---|---|---|
| Commercial Banks | 4,041 | 6,212 | 6,454 | 6,828 |
| Savings Banks | 3,685 | 4,961 | 5,318 | 5,434 |
| Post Office Savings Bank | 618 | 1,269 | 1,328 | 1,393 |
| Agricultural Credit Institutes | 59 | 163 | 182 | 190 |
| Total | 8,403 | 12,605 | 13,282 | 13,845 |

The money market towards the end of the year showed a seasonal tightening, in that the surplus of deposits in the commercial banks, in relation to the public in Sweden, diminished somewhat during the autumn. At the end of November the liquid assets of these banks (cash, treasury bills and bonds) amounted to over 2.5 and their grant of credits to more than 5.6 milliard kronor, whilst the deposits and funds figured at 6.7 and 0.8 milliard kronor, respectively. The revival of foreign trade has given a marked impetus to foreign business, not only in the case of documentary credit and similar transactions, but also in regard to the re-establishment of connections with foreign banks and the increase of Swedish bank holdings in foreign banks and vice versa.

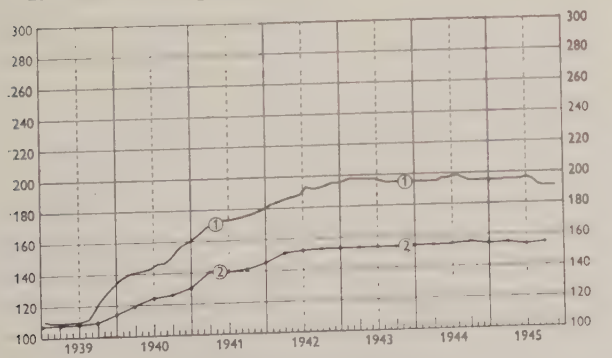
*Position of Commercial Banks.*

| | 1944 | 1945 | | | |
|---|---|---|---|---|---|
| *Assets* (in mill. kr.) | Nov. | Aug. | Sept. | Oct. | Nov |
| Cash | 402 | 387 | 417 | 371 | 240 |
| Treasury bills | 504 | 1,283 | 1,353 | 1,346 | 1,198 |
| Swedish bonds | 1,491 | 1,063 | 1,092 | 1,140 | 1,095 |
| Advances in Sweden | 5,057 | 5,442 | 5,458 | 5,490 | 5,630 |
| Assets abroad | 80 | 102 | 132 | 209 | 198 |
| Sundry accounts | 576 | 469 | 480 | 490 | 573 |
| Total | 8,110 | 8,746 | 8,932 | 9,046 | 8,934 |
| Thereof, Swedish bonds and treasury bills | 1,995 | 2,346 | 2,445 | 2,486 | 2,293 |
| *Liabilities* (in mill. kr.) | | | | | |
| Deposits in Sweden | 6,112 | 6,704 | 6,828 | 6,878 | 6,686 |
| Liabilities abroad | 243 | 297 | 315 | 341 | 371 |
| Share capital and reserve funds | 818 | 825 | 827 | 827 | 827 |
| Sundry accounts | 937 | 920 | 962 | 1,000 | 1,050 |
| Total | 8,110 | 8,746 | 8,932 | 9,046 | 8,934 |

The revival of foreign trade may be reckoned as from June 1945. During the 6 months period June—November last year the exports amounted to a value of about 1,350 million kronor, which

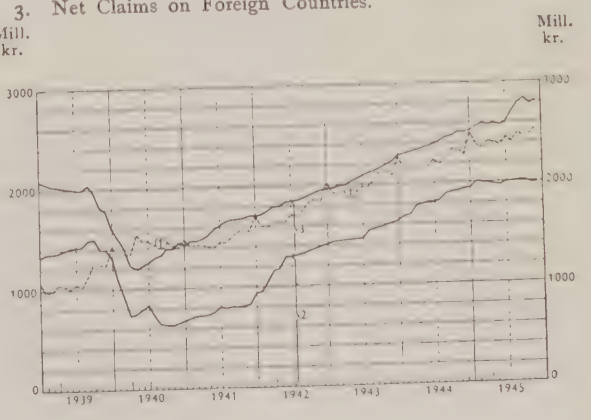
*Wholesale Price and Cost of Living Indices.* (1935 = 100.)

1. Wholesale Price Index.
2. Cost of Living Index.




*The Riksbank's Note Circulation and Gold and Foreign Exchange Holdings.* (Million Kr.)

1. Note Circulation.
2. Gold Stock (Market value).
3. Net Claims on Foreign Countries.



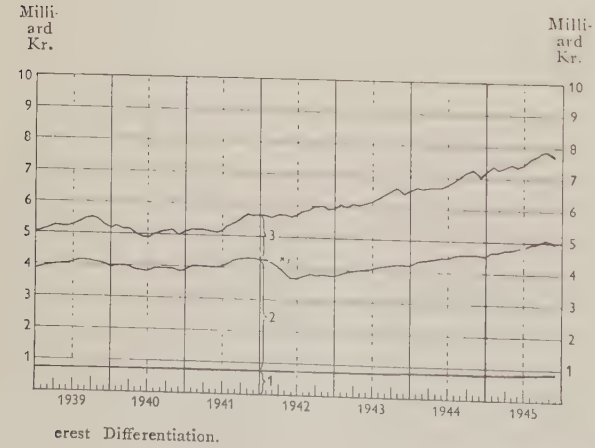
is more than the whole annual export in any of the years 1931—1935 and nearly three-fourths of the export during the year 1938. It should be noted, however, that since 1935 wholesale prices have been practically doubled, and that the price advance since 1938 amounts to more than 75 per cent. The imports during the same period amounted only to about 617 million kronor, being less than half the value of the exports.

In view of the State export credits, it is more difficult to survey the foreign exchange position of this country. It should be mentioned, however, that during the six months period in question the value of the Riksbank's gold and foreign exchange reserves increased by about 240 million kronor, or from 2,573 million kronor at the end of May to 2,810 million kronor at the end of November. The note circulation in the last-mentioned month averaged 2,478 million kronor.

| | Imports | Exports | Surplus of exports (+) or of imports (−) |
|---|---|---|---|
| | Million kronor | | |
| Jan.—Nov. 1938 | 1,878 | 1,672 | − 206 |
| » » 1939 | 2,231 | 1,724 | − 507 |
| » » 1940 | 1,851 | 1,217 | − 634 |
| » » 1941 | 1,517 | 1,232 | − 285 |
| » » 1942 | 1,610 | 1,194 | − 416 |
| » » 1943 | 1,688 | 1,073 | − 615 |
| « » 1944 | 1,563 | 753 | − 810 |
| « » 1945 | 931 | 1,518 | + 587 |

*Capital Funds and Deposits of the Commercial Banks.* (Milliard Kr.)

1. Capital Funds.
2. Long-term Deposits.
3. Demand Deposits.

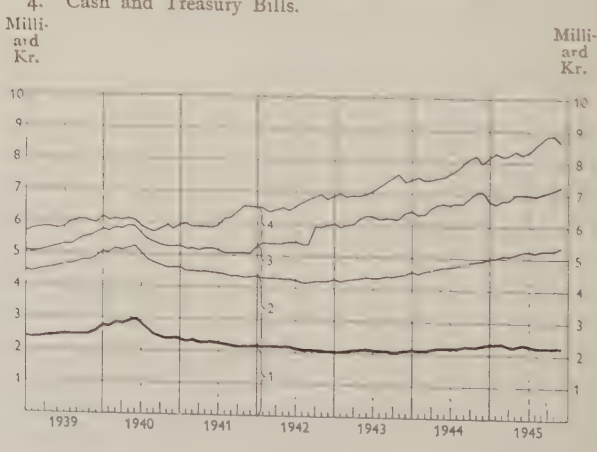



erest Differentiation.

According to the statistics published by the Federation of Swedish Industries, industrial production in October 1945 was on an average as large as the mean figure for the year 1939. As regards the exporting sawmills, on the one hand, and the pulp and paper mills, on the other, there was a decrease of 22 and 20 per cent., respectively, but, as compared with the situation a year before, their production has increased, respectively, by 24 and 45 per cent. The exports of these industries are known to be considerably larger than their current output. In these branches, early preparations had in fact been made by production for storage, for export after the end of the war. Thus, in June last year about 925,000 tons of chemical pulp were in stock, whereas the production thereof, partly owing to difficulties in regard to the supply of fuel and pulpwood, has subsequently been confined to between 60 and 65 per cent. of the output capacity. The export of chemical pulp during the period June—November amounted to 1,157,000 tons and the remaining stocks at the end of the year are estimated to have been rather small. The shipments of sawn and planed wood goods during the same period amounted to 454,600 standards. On the domestic market for wood goods the situation during the autumn has been very strained, partly owing to transport diffi-

*Investments of the Commercial Banks.* (Milliard Kr.)

1. Shares, Bills and Loans. (Exclusive of Advances against Mortgages and Bonds.)
2. Mortgage Loans.
3. Bond Investments and Advances on Bonds.
4. Cash and Treasury Bills.



culties. As the remaining stocks of the sawmills at the end of the year are likewise estimated to be smaller than normally, the supply of the domestic demand for wood goods will curtail the possibilities of exportation this year.

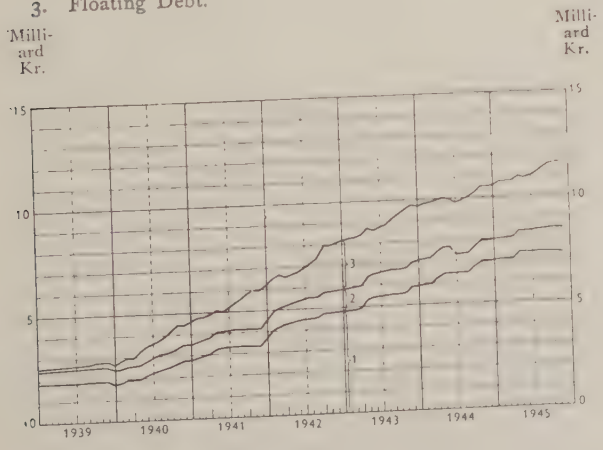
The iron and steel industries as well as the engineering workshops in October 1945 had increased their output by 40 and 27 per cent. respectively, as compared with the year 1939. As regards the heavy industries, the result of the war has been that the manufacture of high-grade steel has been replaced to a considerable extent by the production of plainer qualities. The proportion of high-grade qualities in the export of steel has in fact fallen from nearly 100 per cent. before the war to about 25 per cent. in recent times and, even if the difficulties in regard to the supply of coal, coke and labour can be overcome, foreign exchange shortages abroad will apparently stand in the way of recovering certain former export markets for Swedish steel. The engineering workshops, generally speaking, are well and regularly employed, which must be regarded partly as a repercussion from the long strike last year in this branch of production. Several of the large, normally exporting workshops report considerable bookings of orders.

As regards the home market industries proper, the tendency has been more varied. As compared with the year 1939, the production in the late autumn of 1945 had decreased by 6 per cent. in the foodstuffs industries and by 3 per cent. in the textile and clothing industries, whereas in other consumption goods industries it is estimated to have increased by 13 per cent.

Building is proceeding briskly, thanks to the vigorous efforts which are being made by the authorities to maintain the erection of dwelling-houses on as large a scale as possible and the greater consideration which they are apparently paying to the building requirements of industries, *e. g.* for purposes of rationalization. The building of dwelling-houses had already attained considerable proportions in 1944, in that the number of new flats in 320 communities was 15 per cent. larger than the average for the years 1935—38, whilst the number of new room units had increased by 21 per cent. In 1945 building appears to have been maintained on quite as large a scale, in view of the fact that building permits representing a total cost of 1,703 million kronor were granted during the first 10 months of the year, as compared with 1,561 million kronor during the same period in the preceding year. This activity was, however, menaced by a rather embarrassing shortage of material, in certain cases aggravated by the protracted strike last year in the engineering workshops. A considerable equalization of the seasonal work in the building branch has been

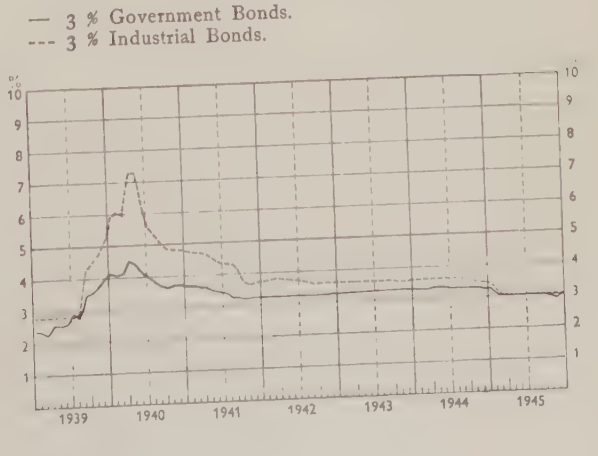
*The National Debt.* (Milliard Kr.)

1. Bond Loans.
2. Other Funded Debt.
3. Floating Debt.




*Bond Yields.*

— 3 % Government Bonds.
--- 3 % Industrial Bonds.



effected by the stimulation of winter building and by the grant of a larger number of permits for preparatory work during the winter.

**Foreign Exchange Market.** Transactions in foreign exchange during the past quarter have been very animated. The uncertainty in regard to the issue of the Anglo-American loan negotiations at times led to very extensive "hedging" operations in pounds and dollars. In the Swedish foreign-exchange control an alleviation has ensued, in that the Riksbank's commission of 1 pro mille on foreign exchange sold by that bank has been abolished as from the beginning of December 1945.

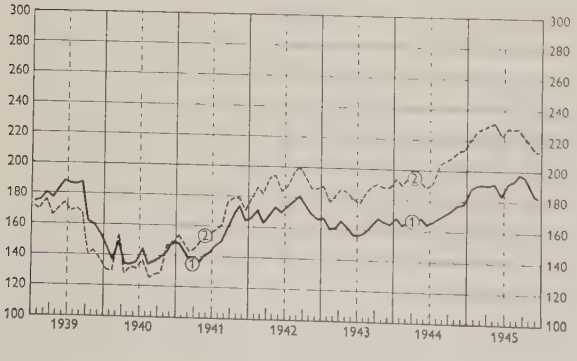
The following changes have occurred in the official quotations of the Riksbank. On the 16th October the rate of exchange for free Finnish marks and "inland marks", respectively, was lowered from 3:51 and 3:40 to 3:12 and 3:00. The buying rate for Canadian dollars was raised on the 18th October from 3:77 to 3:785. Argentine pesos were lowered on the 7th November from 102—104 to 101:50—103:50 and on the following day to 101—103. On the 28th November the rate was raised to 101:80—103:50 and was lowered anew on the 29th December to 101—103. Dutch florins were taken up for quotation on the 23rd November at the rate of 157:75—158:50. On the 1st December the Zürich quotation was changed from 97:00—97:80 to 97:20—97:65. The clearing rate on Paris ceased to be quoted on the 4th December. It had previously been kr. 9:—. On the 27th December the rate for French francs was lowered from 8:43—8:475 to 3:51—3:53, which corresponds to a devaluation of about 60 per cent.

**Stock Market.** The Stock Exchange during the past quarter has been marked by a general feeling of uncertainty, and a distinct diminution of buying for investment purposes has been noticed. The tendency of share prices has been falling, and for a few days in November it was almost bearish. Afterwards a decidedly better tone set in, with rises of share prices, which, however, could not outweigh the previous losses, and after a few days the Stock Exchange was again marked by uncertainty and a dull tone, which was not even changed by the welcome news regarding the financial agreement between the United States and Britain. With the exception of the said days, dealings have been on a very small scale.

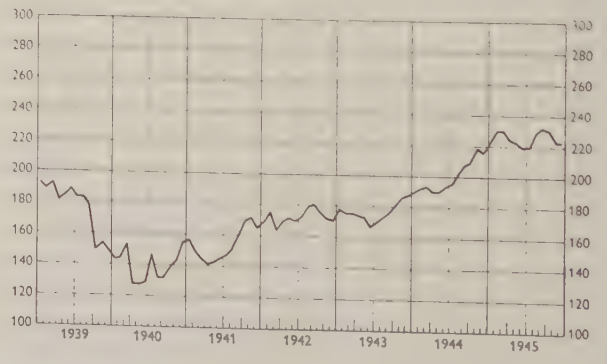
An appended table shows the level of share prices in the middle of each of the last few months. The fall of prices during the quarter was thus 7 % for the home market industries, 6 % for other industries and 4 % for the banks. As a result of the fall, the market value of industrial shares towards the end of the year corresponded to a yield of 4 %, as compared with 3 ¾ % a few months before, all under the assumption of an unchanged dividend.

*Industrial Share Indices.*

1. Home Market Industry.
2. Other Industry.




*Bank Share Index.*



| *Share Index.* | 1939 Jan. | 1940 Jan. | 1941 Jan. | 1942 Jan. | 1943 Jan. | 1944 Jan. | 1945 Jan. | April | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Home industries | 175 | 145 | 148 | 166 | 168 | 168 | 188 | 190 | 191 | 184 | 192 | 193 | 198 | 196 | 185 | 183 |
| Other industries | 171 | 130 | 155 | 178 | 188 | 195 | 220 | 230 | 231 | 223 | 228 | 228 | 228 | 222 | 214 | 214 |
| Of which | | | | | | | | | | | | | | | | |
| Gränges berg Company | 191 | 131 | 155 | 189 | 191 | 190 | 225 | 220 | 216 | 212 | 212 | 217 | 215 | 203 | 190 | 188 |
| Exporting engineering industries | 195 | 133 | 161 | 187 | 191 | 209 | 231 | 240 | 250 | 239 | 242 | 244 | 244 | 238 | 226 | 224 |
| Other, including iron and steel ind. | 181 | 138 | 170 | 188 | 188 | 181 | 199 | 206 | 205 | 199 | 205 | 205 | 208 | 205 | 198 | 199 |
| Wood-goods and pulp ind. | 124 | 104 | 119 | 135 | 153 | 160 | 190 | 204 | 200 | 193 | 195 | 192 | 194 | 194 | 189 | 187 |
| Combined wood and iron ind. | 200 | 184 | 211 | 250 | 278 | 288 | 318 | 338 | 330 | 323 | 345 | 338 | 332 | 322 | 312 | 319 |
| Banks | 192 | 143 | 156 | 169 | 178 | 190 | 223 | 224 | 222 | 220 | 220 | 228 | 232 | 230 | 223 | 223 |

*Note.* Where not otherwise stated, the figures are for the middle of the month.

**Bond Market.** During the third quarter of last year the stock of bonds in circulation increased only by 123 million kronor, of which 37 million kronor is represented by the Government loans. During the last quarter of 1945, issues of bond loans have been on a rather small scale, and such loan operations as have occurred have been mainly in the nature of conversions of earlier loans.

The bond market is now dominated by the Government loans, which amount to two-thirds of the total loans, whilst the mortgage institutions account for about 22 per cent. of the total. The proportion of the municipalities and industrial companies is merely 5 and 6 per cent., respectively.

*Stock of Bonds in Circulation.*

| | 1/1 1938 | 30/6 1945 | 29/9 1945 |
|---|---|---|---|
| | Million Kronor | | |
| Swedish Government | 1,841 | 7,331 | 7,368 |
| Mortgage banks | 1,919 | 2,411 | 2,467 |
| Municipalities | 413 | 509 | 560 |
| Industrial and transport companies | 1,063 | 671 | 651 |
| Other issues | 56 | 7 | 6 |
| Total | 5,292 | 10,929 | 11,052 |

In the course of the past quarter the largest conversion operation that has ever occurred on the Swedish market was terminated. This was the conversion of the so-called first defence loan, which in the spring of 1940 had been issued up to an amount of about 731 million kronor, of which about 728 million kronor was in circulation at the time of conversion. This loan is unique also in the fact that the bonds to a very large extent have found their way to the small saver. It has been estimated that some 300,000 persons had held blocks of at most 500 kronor and that such investments ran into a total of about 65 million kronor. The conversion proceeded very favourably, in that, according to a preliminary report, nearly 84 per cent. of the defence loan bonds were exchanged for new Government bonds or the like, whereof 288 million in 3 % Government bonds, 300 million in lottery bonds, 15.6 million in saving bonds and 7.8 million in deposits on the so-called "national savings account". No less than 72.3 per cent, of the whole conversion was negotiated by the commercial banks. The principal loan operations of the past quarter are indicated below.

| Issued by | Interest rate in % | Amount of issue in mill. kr. | Issue price in % |
|---|---|---|---|
| Konungariket Sveriges Stads-hypotekskassa (The Swedish Cities' Mortgage Bank) | 3 | [1]) | 100 |
| Göteborgs Intecknings Garanti AB. (The Mortgage Bank of Gothenburg Ltd) | 2 3/4 | 20[2]) | 100 |
| Inteckningsbanken AB. (The Mortgage Bank Ltd) | 3 | 30[3]) | 100 |
| AB. Rottneros Bruk | 3 | 4 | 99 1/2 |

[1]) In connection with conversion. — [2]) Thereof 8 million kr. offered. — [3]) Thereof 19,178 mill. kr. offered for conversion.

In addition, the following loans have been called in, wilhout offer of conversion:

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| AB. Göteborgs Hypotekskassa . . . . . | 3 | % | 15/11 | 1905 | Ser. | VII | 15/5 1946 |
| (The Mortgage Institute of Gothenburg Ltd) | | | | | | | |
| » » » | 3 | % | 15/5 | 1936 | » | XVIII | 15/5 1946 |
| Kinnaströms VäfveriAB. | 4 | % | 1936 | | | | 1/3 1946 |
| Mo och Domsjö AB. . | 3.6 | % | 1935 | | | | 15/3 1946 |
| City of Malmö . . . | 3.5 | % | 1936 | | | | 1/3 1946 |

Bond prices have fluctuated within narrow limits, thanks to the fact that the Riksbank, when necessary, had intervened by market operations in support of the long maintained 3 per cent. level for gilt-edged bonds. Towards the end of the year tendencies towards a weakening of bond prices were manifested in consequence of the general tightening of the money market and in view of the expectation that continued Government borrowing in the course of the new year would satisfy the need of investments on the part of the large financial institutions.

*Yield on Bonds (in %).*

| | Number of loans | 1945 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *Swedish Government.* | | 15/5 | 15/6 | 17/7 | 17/8 | 14/9 | 16/10 | 14/11 | 14/12 |
| 3 % 1934–. Conv. 1944 I | | 3.04 | 3.05 | 3.05 | 3.05 | 3.05 | 3.03 | 3.03 | 3.01 |
| 3 % 1937–97. Conv. 1947 I | | 3.02 | 3.02 | 3.02 | 3.02 | 3.01 | 3.01 | 3.02 | 3.02 |
| *Mortgage Banks.* | | | | | | | | | |
| 3 % Conv. 1944—47 . . | 4 | 3.04 | 3.04 | 3.04 | 3.03 | 3.03 | 3.03 | 3.03 | 3.03 |
| Repayment 1999–2009, at latest. | | | | | | | | | |
| *Municipalities.* | | | | | | | | | |
| 3 % Conv. 1945—46 . . | 2 | 3.09 | 3.07 | 3.01 | 3.01 | 3 01 | 3.00 | 3.00 | 3.01 |
| Repayment 1965, at latest. | | | | | | | | | |
| *Industrial Companies.* | | | | | | | | | |
| 3 % (Before March 1945 3¼ %) . . . . . | 2 | 3.02 | 3.02 | 3.02 | 3.01 | 3.00 | 2.99 | 2.92 | 3.02 |

*Note.* The yield on the industrial loans is computed without regard to the fact that the right of conversion has set in or will do so in 1949.

# Some Statistical Data Concerning Sweden's Economic Position

## Currency Reserve, Stock of Gold, Note Circulation.

| | Net Claims of Banks on Foreign Countries, million kronor (End of month) | | | | | | | | | The Riksbank's | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Riksbank | | | Commercial banks | | | Total | | | Stock of Gold[1] (million kr.) | | | Stock of Gold and Net Claims on Foreign Countries[1] (million kr.) | | | Note Circulation (million kr.) | | |
| | 1943 | 1944 | 1945 | 1943 | 1944 | 1945 | 1943 | 1944 | 1945 | 1943 | 1944 | 1945 | 1943 | 1944 | 1945 | 1943 | 1944 | 1945 |
| Jan. | 535 | 620 | 553 | −138 | −146 | −166 | 397 | 474 | 387 | 1429 | 1676 | 2006 | 1964 | 2296 | 2559 | 1867 | 2114 | 2333 |
| Feb. | 554 | 626 | 585 | −138 | −150 | −178 | 416 | 476 | 407 | 1435 | 1686 | 1996 | 1989 | 2312 | 2581 | 1842 | 2061 | 2286 |
| March | 567 | 566 | 575 | −144 | −167 | −167 | 423 | 399 | 408 | 1443 | 1770 | 1993 | 1988 | 2335 | 2568 | 1842 | 2057 | 2283 |
| **I (Average)** | **552** | **604** | **571** | **−140** | **−154** | **−170** | **412** | **450** | **401** | **1436** | **1711** | **1998** | **1980** | **2314** | **2569** | **1850** | **2077** | **2301** |
| April | 584 | 559 | 604 | −134 | −169 | −159 | 450 | 390 | 445 | 1445 | 1791 | 1983 | 2029 | 2350 | 2587 | 1870 | 2087 | 2300 |
| May | 596 | 564 | 601 | −141 | −171 | −163 | 455 | 393 | 438 | 1452 | 1808 | 1972 | 2048 | 2372 | 2573 | 1831 | 2069 | 2279 |
| June | 627 | 570 | 580 | −139 | −182 | −153 | 488 | 388 | 427 | 1459 | 1813 | 2009 | 2086 | 2383 | 2589 | 1907 | 2138 | 2345 |
| **II (Average** | **602** | **564** | **595** | **−138** | **−174** | **−158** | **464** | **390** | **437** | **1452** | **1804** | **1988** | **2054** | **2368** | **2583** | **1869** | **2098** | **2306** |
| July | 571 | 600 | 690 | −133 | −180 | −157 | 438 | 420 | 533 | 1546 | 1829 | 2010 | 2117 | 2429 | 2700 | 1890 | 2123 | 2342 |
| Aug. | 575 | 569 | 774 | −128 | −175 | −195 | 447 | 394 | 579 | 1558 | 1885 | 2013 | 2133 | 2454 | 2787 | 1960 | 2156 | 2382 |
| Sept. | 588 | 562 | 814 | −127 | −183 | −183 | 461 | 379 | 631 | 1570 | 1907 | 2013 | 2158 | 2469 | 2827 | 2024 | 2223 | 2450 |
| **III (Average** | **578** | **577** | **759** | **−129** | **−179** | **−178** | **449** | **398** | **581** | **1558** | **1874** | **2012** | **2136** | **2451** | **2771** | **1958** | **2167** | **2391** |
| Oct. | 601 | 588 | 783 | −150 | −179 | −132 | 451 | 409 | 651 | 1588 | 1917 | 1993 | 2189 | 2505 | 2776 | 2059 | 2248 | 2474 |
| Nov. | 609 | 563 | 817 | −135 | −163 | −173 | 474 | 400 | 644 | 1613 | 1939 | 1993 | 2222 | 2502 | 2810 | 2043 | 2226 | 2478 |
| Dec. | 652 | 567 | 758 | −149 | −162 | | 503 | 405 | | 1627 | 1943 | 2024 | 2279 | 2510 | 2782 | 2161 | 2375 | 2663 |
| **IV (Average)** | **621** | **573** | **786** | **−145** | **−168** | | **476** | **405** | | **1609** | **1933** | **2003** | **2230** | **2506** | **2789** | **2088** | **2283** | **2538** |
| Notes | The figures comprise balances with foreign customers and holdings of foreign bills and foreign bonds less amounts due to foreign customers | | | | | | | | | At end of month | | | | | | Monthly averages | | |

[1] The Riksbank holding of gold is given at its market value, other items at their book values.

## Commercial Banks, Stock Exchange.

| | Commercial Banks | | | | | | | | | Share Index | | | | | | Shares sold on the Stockholm Stock Exchange (1000 kr.) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Deposits (million kr.) | | | Advances incl. bills rediscounted (million kr.) | | | Surplus of Deposits (million kr.) | | | Home Industries | | | Other Industries | | | | | |
| | 1943 | 1944 | 1945 | 1943 | 1944 | 1945 | 1943 | 1944 | 1945 | 1943 | 1944 | 1945 | 1943 | 1944 | 1945 | 1943 | 1944 | 1945 |
| Jan. | 5193 | 5686 | 6398 | 4305 | 4635 | 5141 | 888 | 1051 | 1257 | 168 | 168 | 188 | 188 | 195 | 220 | 408 | 474 | 1049 |
| Feb. | 5091 | 5643 | 6304 | 4372 | 4688 | 5193 | 719 | 955 | 1111 | 160 | 164 | 191 | 177 | 190 | 226 | 380 | 396 | 944 |
| March | 5173 | 5680 | 6368 | 4396 | 4814 | 5206 | 777 | 866 | 1162 | 161 | 165 | 191 | 182 | 196 | 227 | 369 | 505 | 777 |
| **I (Average)** | **5152** | **5670** | **6357** | **4358** | **4712** | **5180** | **794** | **957** | **1177** | **163** | **166** | **190** | **182** | **194** | **224** | **386** | **458** | **923** |
| April | 5151 | 5690 | 6437 | 4468 | 4842 | 5305 | 683 | 848 | 1132 | 165 | 167 | 190 | 186 | 197 | 230 | 372 | 476 | 682 |
| May | 5192 | 5706 | 6377 | 4525 | 4864 | 5342 | 667 | 842 | 1035 | 161 | 168 | 191 | 184 | 192 | 231 | 347 | 296 | 887 |
| June | 5261 | 5769 | 6454 | 4509 | 4852 | 5362 | 752 | 917 | 1092 | 156 | 164 | 184 | 180 | 188 | 223 | 289 | 364 | 679 |
| **II (Average)** | **5201** | **5722** | **6423** | **4501** | **4853** | **5336** | **700** | **869** | **1086** | **161** | **166** | **188** | **183** | **189** | **228** | **336** | **379** | **749** |
| July | 5397 | 5900 | 6601 | 4454 | 4836 | 5346 | 943 | 1064 | 1255 | 156 | 166 | 192 | 178 | 192 | 228 | 282 | 273 | 442 |
| Aug. | 5510 | 6070 | 6704 | 4476 | 4886 | 5442 | 1034 | 1184 | 1262 | 159 | 169 | 193 | 185 | 204 | 228 | 358 | 551 | 544 |
| Sept. | 5629 | 6192 | 6828 | 4492 | 4992 | 5458 | 1137 | 1200 | 1370 | 163 | 171 | 198 | 189 | 206 | 228 | 605 | 442 | 450 |
| **III (Average)** | **5512** | **6054** | **6711** | **4474** | **4905** | **5415** | **1038** | **1149** | **1296** | **159** | **169** | **194** | **184** | **201** | **228** | **415** | **422** | **479** |
| Oct. | 5708 | 6275 | 6877 | 4510 | 5042 | 5490 | 1198 | 1233 | 1387 | 168 | 174 | 196 | 190 | 207 | 222 | 390 | 362 | 543 |
| Nov. | 5519 | 6112 | 6776 | 4648 | 5058 | 5630 | 871 | 1054 | 1146 | 165 | 177 | 185 | 188 | 212 | 214 | 368 | 536 | 512 |
| Dec. | 5602 | 6212 | | 4673 | 5121 | | 929 | 1091 | | 164 | 179 | 183 | 188 | 213 | 214 | 402 | 557 | 479 |
| **IV (Average)** | **5610** | **6200** | | **4610** | **5074** | | **999** | **1126** | | **166** | **177** | **188** | **189** | **204** | **217** | **387** | **485** | **511** |
| Notes | Deposits from and loans to the public within the country (at the end of the respective month) | | | | | | | | | The figures denote mid-monthly average prices | | | | | | Averages per Stock Exchange business day | | |

## Rates of Interest and Price Level.

| | Yield on Bonds (%) | | | | | | Wholesale Price Index (Board of Trade) (1935 = 100) | | | | | | | | | Cost of Living Index (July 1914 = 100) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Govt. Loans | | | Industrial Loans | | | Import Goods | | | Export Goods | | | All Goods | | | | | |
| | 1943 | 1944 | 1945 | 1943 | 1944 | 1945 | 1943 | 1944 | 1945 | 1943 | 1944 | 1945 | 1943 | 1944 | 1945 | 1943 | 1944 | 1945 |
| Jan. | 3.26 | 3.31 | 3.25 | 3.62 | 3.57 | 3.39 | 293 | 298 | 287 | 204 | 208 | 208 | 196 | 195 | 195 | 239 | 240 | 241 |
| Feb. | 3.28 | 3.29 | 3.07 | 3.62 | 3.57 | 3.14 | 291 | 298 | 288 | 205 | 208 | 208 | 197 | 195 | 195 | · | · | · |
| March | 3.28 | 3.30 | 3.04 | 3.61 | 3.62 | 3.02 | 291 | 301 | 289 | 206 | 208 | 208 | 197 | 195 | 196 | · | · | · |
| **I (Average)** | **3.27** | **3.30** | **3.12** | **3.62** | **3.59** | **3.18** | **292** | **299** | **288** | **205** | **208** | **208** | **197** | **195** | **195** | | | |
| April | 3.29 | 3.33 | 3.04 | 3.62 | 3.62 | 3.01 | 293 | 297 | 290 | 206 | 208 | 207 | 197 | 195 | 196 | 240 | 241 | 242 |
| May | 3.29 | 3.33 | 3.04 | 3.62 | 3.62 | 3.02 | 293 | 293 | 289 | 206 | 208 | 205 | 197 | 197 | 196 | · | · | · |
| June | 3.30 | 3.32 | 3.05 | 3.62 | 3.60 | 3.02 | 293 | 291 | 289 | 206 | 208 | 205 | 197 | 197 | 197 | · | · | · |
| **II (Average)** | **3.29** | **3.33** | **3.04** | **3.62** | **3.61** | **3.02** | **293** | **294** | **289** | **206** | **208** | **206** | **197** | **196** | **196** | | | |
| July | 3.33 | 3.32 | 3.05 | 3.62 | 3.60 | 3.02 | 293 | 291 | 288 | 206 | 208 | 205 | 196 | 198 | 196 | 239 | 240 | 241 |
| Aug. | 3.32 | 3.31 | 3.05 | 3.62 | 3.57 | 3.01 | 293 | 291 | 262 | 206 | 208 | 205 | 195 | 197 | 194 | · | · | · |
| Sept. | 3.31 | 3.30 | 3.05 | 3.62 | 3.55 | 3.00 | 293 | 288 | 264 | 206 | 209 | 205 | 195 | 196 | 191 | · | · | · |
| **III (Average)** | **3.32** | **3.31** | **3.05** | **3.62** | **3.57** | **3.01** | **293** | **290** | **271** | **206** | **208** | **205** | **195** | **197** | **194** | | | |
| Oct. | 3.33 | 3.30 | 3.03 | 3.55 | 3.53 | 2.99 | 295 | 288 | 276 | 206 | 209 | 203 | 195 | 195 | 191 | 239 | 243 | 242 |
| Nov. | 3.33 | 3.29 | 3.03 | 3.56 | 3.49 | 2.92 | 295 | 288 | 278 | 206 | 209 | 202 | 195 | 195 | 191 | · | · | |
| Dec. | 3.33 | 3.26 | 3.04 | 3.57 | 3.40 | 3.02 | 295 | 288 | | 206 | 208 | | 195 | 195 | | · | · | |
| **IV (Average)** | **3.33** | **3.28** | **3.03** | **3.56** | **3.47** | **2.98** | **295** | **288** | | **206** | **209** | | **195** | **195** | | | | |
| Notes | Calculated on market prices at middle of months | | | | | | | | | | | | | | | Refers to end of quarters | | |

## Trade and Industry.

| | Total Imports (million kr.) | | | Total Exports (million kr.) | | | Index of Production according to Feder. of Swed. Industries (1935 = 100) | | | Supply of Industrial Work Index numbers | | | Waggon-axle Kilometres of loaded Trucks on State Railways | | | Unemployment in Trade Unions (%) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1943 | 1944 | 1945 | 1943 | 1944 | 1945 | 1943 | 1944 | 1945 | 1943 | 1944 | 1945 | 1943 | 1944 | 1945 | 1943 | 1944 | 1945 |
| Jan. | 163 | 122 | 106 | 79 | 47 | 26 | 110 | 108 | 113 | 3.7 | 3.5 | 3.6 | 92.7 | 89.8 | 94.0 | 8.4 | 8.5 | 6.5 |
| Feb. | 146 | 156 | 52 | 76 | 62 | 31 | 111 | 109 | 87 | 3.6 | 3.5 | 3.6 | 99.4 | 103.0 | 96.0 | 7.4 | 8.0 | 6.8 |
| March | 152 | 169 | 67 | 85 | 69 | 35 | 110 | 109 | 83 | 3.7 | 3.6 | 3.6 | 113.3 | 114.0 | 106.3 | 6.4 | 7.2 | 5.9 |
| **I (Average)** | **154** | **149** | **75** | **80** | **59** | **31** | **110** | **109** | **94** | **3.7** | **3.5** | **3.6** | **101.8** | **102.3** | **98.8** | **7.4** | **7.9** | **6.4** |
| April | 131 | 158 | 41 | 97 | 63 | 31 | 111 | 109 | 84 | 3.7 | 3.6 | 3.7 | 101.1 | 102.9 | 95.5 | 6.0 | 5.5 | 4.5 |
| May | 142 | 164 | 48 | 129 | 73 | 44 | 110 | 108 | 84 | 3.8 | 3.7 | 3.7 | 102.7 | 101.2 | 94.5 | 4.4 | 3.7 | 3.8 |
| June | 147 | 162 | 50 | 135 | 84 | 125 | 109 | 109 | 85 | 3.8 | 3.7 | 3.8 | 90.0 | 100.7 | 97.2 | 4.4 | 3.2 | 3.5 |
| **II (Average)** | **140** | **161** | **46** | **120** | **73** | **67** | **110** | **109** | **84** | **3.8** | **3.7** | **3.7** | **97.9** | **101.6** | **95.7** | **4.9** | **4.1** | **3.9** |
| July | 186 | 144 | 40 | 114 | 79 | 209 | 108 | 107 | 115 | 3.9 | 3.8 | | 105.9 | 101.6 | 100.6 | 3.9 | 2.9 | 3.2 |
| Aug. | 136 | 140 | 69 | 103 | 68 | 268 | 106 | 106 | 120 | 3.8 | 3.8 | | 102.6 | 108.4 | 108.6 | 3.5 | 2.8 | 3.1 |
| Sept. | 162 | 137 | 135 | 102 | 54 | 245 | 107 | 107 | 122 | 3.8 | 3.7 | | 103.1 | 108.4 | 112.8 | 3.5 | 2.9 | 3.0 |
| **III (Average)** | **161** | **140** | **81** | **107** | **67** | **241** | **107** | **107** | **119** | **3.8** | **3.8** | | **103.9** | **106.1** | **107.3** | **3.6** | **2.9** | **3.1** |
| Oct. | 166 | 102 | 162 | 89 | 56 | 266 | 108 | 110 | 124 | 3.7 | 3.7 | | 103.2 | 104.4 | 115.5 | 4.5 | 3.3 | 3.1 |
| Nov. | 153 | 109 | 160 | 84 | 98 | 238 | 109 | 112 | 125 | 3.7 | 3.7 | | 96.2 | 104.0 | | 5.8 | 4.2 | |
| Dec. | 130 | 101 | | 78 | 77 | | 109 | 113 | | 3.6 | 3.7 | | 93.3 | 96.4 | | 9.6 | 7.2 | |
| **IV (Average)** | **150** | **104** | | **84** | **77** | | **109** | **112** | | **3.7** | **3.7** | | **97.6** | **101.6** | | **6.6** | **4.9** | |
| Notes | | | | | | | Seasonal change removed | | | The figure 3 denotes normal supply of work | | | Million kilom. per month | | | % of total members at end of month | | |

Stockholm 1946. Kungl. Boktr. P. A. Norstedt & Söner 454208

# SKANDINAVISKA BANKEN

STOCKHOLM 16.

TELEPHONE: STOCKHOLM 0101 — TELEGRAPHIC ADDRESS: SKANDINAVBANK

Member of the Stockholm Stock Exchange


January 1946

## Quotations of Swedish Shares.

| Industrial and Miscellaneous Shares. | Share Capital | Nom. Value | Dividends[1] | | | | | | | Prices (bid) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 1945 | | | | | | | | 1946 |
| | | | 1939 | 1940 | 1941 | 1942 | 1943 | 1944 | 1945 | 31/5 | 29/6 | 31/7 | 31/8 | 29/9 | 31/10 | 30/11 | 29/12 | 11/1 |
| | Mill. Kr. | Kr. | Kronor | | | | | | | Kronor | | | | | | | | |
| A.-B. Atlas Diesel (Diesel Engines) | 10.16 | 25 | 2 | 2 | 2 | 2.25 | [8]2.25 | 1.75 | 1.75 | 41.50 | 43 | 44 | 43 | 42.50 | 41.50 | 40 | 40.50 | 42.50 |
| » Bofors (War Material)[6] | 24.75 | 100 | 11 | 12 | 12 | 12 | 12 | 12 | 12 | [2]220 | 227 | 234 | 230 | 238 | 243 | 246 | 249 | 251 |
| » Custos (Holding Company), free[5] | 18.6 | 100 | 5 | 5 | 5 | 5 | 5 | 5 | 6 | [4]170 | 171 | 173 | 175 | 175 | [4]170 | 160 | 150 | 165 |
| » De Lavals Ångturbin (Steam Turbines) Pref. shares[5] | 4.80 | 100 | 5 | 5 | 6 | 7 | 7 | 7 | 7 | 137 | 140 | [4]150 | 142 | 145 | 140 | 140 | 142 | 148 |
| » Elektrolux { Vacuum Cleaners, { Series A | 4.50 | 75 | [3]5+5 | 5 | 5 | 5 | 5 | 7.50 | 7.50 | [2]— | 157 | — | — | — | 157 | 157 | 157 | — |
| » Refrigerators { » B[5] | 40.5 | 75 | [3]5+5 | 5 | 5 | 5 | 5 | 7.50 | 7.50 | [2]152 | 159 | 159 | 160 | 160 | — | — | 157 | 156 |
| » Emissionsinstitutet (Holding Company) | 2 | 100 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | — | 260 | 255 | 240 | [4]255 | 230 | 235 | 240 | — |
| » Förenade Superfosfatfabriker (Superphosphates) | 18.34 | 500 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 650 | — | 640 | 650 | 650 | — | — | 625 | — |
| » Ifö Verken (Insulating materials etc.) | 20.25 | 100 | 10 | 8 | 8 | 8 | 8 | 8 | 8 | [2]235 | 251 | 240 | 258 | 255 | 234 | 208 | 201 | 215 |
| » Industrivärden (Holding Company) | 17 | 100 | | | | | | 5 | 5 | 137 | 145 | 149 | 150 | 152 | 150 | [2]142 | 140 | 148 |
| » » » » , free | 8 | 100 | | | | | | 5 | 5 | 138 | 145 | 149 | 150 | 152 | 155 | [2]142 | 140 | 148 |
| » Investor (Holding Company) | 28.80 | 500 | 35 | 35 | 35 | 35 | 35 | 35 | 40 | 1040 | 1135 | 1100 | 1055 | 1080 | 1030 | 1005 | 1075 | 1100 |
| » » » » , free[5] | 7.20 | 500 | 35 | 35 | 35 | 35 | 35 | 35 | 40 | 1040 | 1135 | 1100 | 1055 | 1080 | 1035 | 1010 | 1075 | 1100 |
| » Klippans Finpappersbruk (Paper and Board) | 7 | 100 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | [2]255 | 265 | 270 | 270 | 270 | 265 | 245 | 255 | 260 |
| » Nordiska Armaturfabrikerna (Fittings, Heating Plants, Instruments) | 8.85 | 50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 52 | 53.50 | 54 | 57 | 56 | 56.50 | 54.50 | 55.50 | 56.50 |
| » Nordiska Kompaniet (Department Store) Ord. | 26 | 50 | 2.50 | 2.50 | 3 | 3 | 3 | 3 | 3 | 61.50 | 63.50 | 67 | 69.50 | 72 | 65 | 64 | 65 | 65.50 |
| » Plåtmanufaktur (Tin Plate Goods etc.) | 4.5 | 100 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 140 | 139 | 145 | 147 | 147 | 149 | 148 | 145 | 145 |
| » Pripp & Lyckholm (Brewery) | 18 | 75 | 12 | 12 | 10 | 7 | 7 | 7.50 | 7.50 | 185 | 191 | 201 | 205 | 200 | 207 | 201 | 202 | 207 |
| » Separator (Milk Separators) { Ord. A | 42 | 100 | 6 | 6 | 4 | 4 | 4 | 4 | 4 | [2]116 | 121 | 128 | 123 | 122 | 118 | 113 | 119 | 119 |
| » » { » B[5] | 39.7 | 100 | 6 | 6 | 4 | 4 | 4 | 4 | 4 | [2]116 | 122 | 127 | 123 | 121 | 118 | 113 | 119 | 119 |
| » Stockholms Bryggerier (Brewery) | 39.4 | 100 | 20 | 15 | 15 | 15 | 11.25 | 12 | 12 | 311 | 323 | 348 | 340 | 342 | 340 | 327 | 330 | 344 |
| » Svenska Järnvägsverkstäderna (Railway Materials)[6] | 12.25 | 50 | [3]2+4.50 | [3]2+4.50 | [3]2+4.50 | 6.50 | 6.50 | 6.50 | 6.50 | [2]176 | [9]127 | [9]131 | [9]131 | [9]130 | 129 | 124 | 124 | 125 |
| » Svenska Kullagerfabriken (SKF) (Ball Bearings) { Series A | 37.99 | 50 | 10 | 12 | 12 | 12 | 12 | 12 | 12 | [2]273 | 284 | 289 | 290 | 290 | 275 | 260 | 265 | 275 |
| { » B[5] | 25.92 | 50 | 10 | 12 | 12 | 12 | 12 | 12 | 12 | [2]273 | 286 | 290 | 290 | 290 | 275 | 261 | 265 | 275 |
| { » B, stamped[6] | 1.09 | 50 | 10 | 12 | 12 | 12 | 12 | 12 | 12 | [2]253 | 264 | 270 | 270 | — | 255 | 240 | 245 | 255 |
| » Svenska Metallverken (Metal Products) | 16.35 | 60 | 4.80 | 4.80 | 4.80 | 4.80 | 4.80 | 4.80 | 4.80 | 101 | 104 | 109 | 112 | 110 | 108 | 105 | 105 | 109 |
| » Svensk Filmindustri (Film and Cinema Business) Series A | 8 | 30 | 2.10 | 1.50 | 2.10 | 2.10 | 2.70 | 2.70 | 2.70 | 59 | 61 | 63 | 65 | 63 | 59 | 58.50 | 60 | 61 |
| » Sveriges Förenade Tri- { Pref. | 3.50 | 100 | 11 | 12 | 12 | 10 | 10 | 10 | 10 | 240 | 235 | 245 | 248 | 245 | 245 | [4]245 | 240 | 245 |
| kåfabriker (Textiles) { Ord. | 6.60 | 100 | 11 | 12 | 12 | 10 | 10 | 10 | 10 | [4]175 | 170 | 175 | [2]175 | 175 | 170 | 168 | 160 | 165 |
| » Sveriges Litografiska Tryckerier (Lithographical Printers) { Pref. | 12 | 100 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 144 | 154 | 153 | [2]150 | 151 | 152 | 149 | 146 | 148 |
| { Ord. A | 16 | 100 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 144 | 150 | 153 | [2]148 | 146 | 147 | 147 | 146 | 146 |
| { » A 1930 | 11 | 100 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 131 | 143 | 147 | [2]140 | 136 | 135 | 135 | 137 | 138 |
| { » B | 4.4 | 100 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 365 | 395 | 410 | 400 | 417 | 410 | 400 | 403 | 415 |
| » Turitz & Co. (Department and Chain Stores) | 9 | 100 | 13 | 15 | 15 | 15 | 15 | 15 | 15 | 77.50 | 80.50 | 81.50 | 79 | 78.50 | 76.50 | 72.50 | 75 | 76 |
| » Volvo (Motorcars) | 37.5 | 50 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 300 | 303 | 316 | 332 | 335 | 340 | 320 | 315 | 330 |
| » Åtvidabergs Industrier (Office Utensils) Series II | 4.8 | 100 | 11 | 14 | 14 | [8]14 | 12 | 12 | 12 | 209 | 218 | 229 | 228 | 228 | 222 | 218 | 219 | 227 |
| Allmänna Svenska Elektriska A.-B. (ASEA) (Electrical Machinery) | 90 | 100 | 10 | 10 | 10 | 10 | 9 | 9 | 9 | [2]340 | 345 | 345 | 354 | 342 | 345 | 340 | 340 | 346 |
| Bergvik & Ala Nya A.-B. (Pulp and Timber) | 28.12 | 180 | 13 | 13 | 10 | 10 | 12 | 12 | 12 | [2]211 | 208 | 208 | 209 | 209 | 206 | 200 | 201 | 209 |
| Billeruds A.-B. (Paper, Pulp and Timber) | 31.02 | 100 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | [2]135 | 130 | 134 | [4]140 | 117 | 112 | 110 | 105 | 114 |
| Bolidens Gruv A.-B. (Gold, Copper, etc.)[7] | 42 | 50 | 7.50 | 7.50 | 7.50 | 7.50 | 6 | 6 | 6 | [2]975 | 990 | 975 | 980 | 980 | 1000 | 975 | 975 | 975 |
| Boxholms A.-B. (Iron- and Woodgoods) | 6 | 600 | 36 | 36 | 36 | 42 | 36 | 36 | 36 | [2]— | 145 | 150 | 140 | 150 | 153 | 140 | 145 | 150 |
| Fagersta Bruks A.-B. (Iron and Steel) A | 18.5 | 100 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | [2]— | 145 | 150 | 140 | 150 | 153 | 140 | 145 | 150 |
| » » » » » B, free[5] | 11.5 | 100 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | [2]— | 145 | 150 | 140 | 150 | 153 | 140 | 145 | 150 |
| Fastighets A.-B. Drott (Real Estate Holdings) | 6 | 1 000 | 60 | 55 | 50 | 50 | 50 | 50 | 50 | — | 1300 | — | 1300 | 1425 | — | 1375 | 1400 | 1400 |
| Fastighets A.-B. Hufvudstaden (Real Estate Holdings) { Series A | 16 | 100 | 4.50 | 4.50 | 4.50 | 4.50 | 5 | 6 | 6 | 160 | 155 | 163 | [4]180 | 170 | 160 | 150 | [4]174 | 160 |
| { » B, free[5] | | 100 | 4.50 | 4.50 | 4.50 | 4.50 | 5 | 6 | 6 | 160 | 155 | 163 | — | 170 | 161 | 150 | 155 | — |
| Ford Motor Company A.-B[5] | 5 | 100 | 12 | 10 | 8 | 5 | — | — | — | 172 | 165 | 171 | 176 | 175 | 185 | 190 | [4]195 | 190 |
| Gunnebo Bruks A.-B. (Iron- and Steelproducts) | 4 | 100 | 6 | 6 | 6 | 7 | 7 | 7 | 8 | 200 | 205 | 205 | 205 | 210 | 205 | 205 | 200 | 212 |
| Holmens Bruks- & Fabriks A.-B. (Pulp, Paper, Woollen and Cotton Goods) { Series A | 21 | 100 | 6 | 6 | 6 | 6 | 6 | 7 | 7 | 165 | 170 | 173 | 175 | 176 | 171 | 163 | 165 | 168 |
| { » B[5] | 13.56 | 100 | 6 | 6 | 6 | 6 | 6 | 7 | 7 | 165 | 170 | 173 | 175 | 176 | 170 | 163 | 165 | 168 |
| Höganäs-Billesholms A.-B. (Coal, Firebrick and Clay Goods) | 30 | 100 | 7 | 7 | 8 | 9 | 9 | 9 | 9 | [2]216 | 222 | 233 | 232 | 235 | 238 | 221 | 216 | 220 |
| Kopparfors A.-B. (Pulp and Timber) | 20 | 100 | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 161 | 170 | 166 | 168 | 168 | 167 | 165 | 175 | 181 |
| Korsnäs' Sågverks A.-B. (Paper, Pulp and Timber) | 21 | 100 | 7 | 7 | 5 | 5 | 6 | 6 | 6 | 191 | [2]195 | 205 | 193 | 195 | 201 | 195 | 200 | 210 |
| Linoleum A.-B. Forshaga (Linoleum)[5] | 4 | 50 | 9.35 | 6.60 | 4.76 | 4.10 | 4.10 | 4.10 | 4.10 | — | 97 | 100 | 111 | 115 | 115 | 116 | 117 | 120 |
| Mexikanska Telefon A.-B. Ericsson (Telephone Service) { Series A[5] | 5.4 | 180 | — | — | — | — | — | — | — | 9 | 171 | [2]180 | 190 | 195 | 200 | 190 | 186 | 188 | 197 |
| { » B[5] | 16.2 | 180 | — | — | — | — | — | — | — | 9 | 179 | [2]178 | 198 | 202 | 204 | 196 | 190 | 194 | 200 |

[1] Refer to dividends paid for the preceding financial year. — [2] Ex dividend. — [3] Interim dividend paid in the preceding year. — [4] Selling price. — [5] Acquirable by aliens. — [6] Not acquirable by aliens. — [7] Not quoted on the Stock Exchange. — [8] Plus bonus shares. — [9] Ex right to participate in bonus issue.

# Quotations of Swedish Shares (Contd.).

| | Share Capital | Nom. Value | Dividends[1] | | | | | | | Prices (bid) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 1945 | | | | | | | | 1946 |
| | | | 1939 | 1940 | 1941 | 1942 | 1943 | 1944 | 1945 | 31/5 | 29/6 | 31/7 | 31/8 | 29/9 | 31/10 | 31/11 | 29/12 | 11/1 |
| **Industrial and Miscellaneous Shares** (Contd.). | Mill.Kr. | Kr. | Kronor | | | | | | | Kronor | | | | | | | | |
| Mo och Domsjö A.-B. (Pulp and Timber) . { Series A | 32 | 100 | 8 | 8 | 8 | 8 | 10 | 8 | 8 | 220 | 215 | 200 | 222 | 230 | 234 | 215 | 216 | 222 |
| » B[5] | | 100 | 8 | 8 | 8 | 8 | 10 | 8 | 8 | [4]233 | 213 | 223 | 226 | 230 | 234 | 216 | 215 | 221 |
| Munksjö A.-B. (Paper, Pulp and Timber) . { Series A | 10 | 100 | — | 4 | — | 5 | 5 | 6 | 6 | [2]143 | 150 | 150 | 150 | 150 | 150 | 146 | 145 | 150 |
| » B | 3.99 | 100 | — | 4 | — | 5 | 5 | 6 | 6 | [2]144 | 150 | 151 | 153 | 150 | 150 | 146 | 145 | 151 |
| » B, free[5] | 1 | 100 | — | 4 | — | 5 | 5 | 6 | 6 | [2]145 | 151 | 151 | 154 | 151 | 150 | 146 | 145 | 151 |
| Nitroglycerin A.-B. (Explosives) | 5 | 100 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | — | 240 | 255 | 270 | 260 | — | — | 270 | 265 |
| Oxelösunds Järnverks A.-B. (Iron, Coke, Window-Glass etc.), free[5] | 6.17 | 100 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 230 | 240 | 250 | — | 265 | 262 | 245 | 240 | 250 |
| | | 100 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 230 | 240 | 250 | — | 265 | 262 | 245 | 240 | 250 |
| Reymersholms Gamla Industri A.-B. (Chemical Products) | 10 | 10 | 0.90 | 0.70 | 0.70 | 0.70 | 0.70 | 0.70 | 0.70 | 18.50 | 19.50 | 24 | 22 | 21 | 21 | 20.50 | 21 | 22 |
| Råsunda Förstads A.-B. (Real Estate Holdings) | 7.5 | 50 | 3.50 | 3.50 | 3.50 | 2.50 | 2.50 | — | — | 61 | 62 | 63 | 66 | 62 | 60 | 61 | 62 | 63 |
| Sandvikens Jernverks A. B. (Iron) | 25 | 100 | [3]3+5 | [3]3+5 | [3]3+5 | [3]3+5 | [3]3+5 | [3]3+5 | [3]3+5 | 200 | 212 | 225 | 225 | 215 | 215 | 206 | 202 | 215 |
| Skånska Cement A.-B. (Cement) | 28 | 1 000 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | [2]1950 | 1970 | 1985 | 2000 | [4]2300 | 1780 | 1775 | 1775 | 1815 |
| Stockholms Superfosfat Fabriks A.-B. (Chemical Products) | 15 | 150 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | [4]300 | 295 | 305 | 302 | 317 | 312 | 310 | 308 | 315 |
| Stora Kopparbergs Bergslags A.-B. (Paper, Pulp, Timber and Iron) | 60 | 100 | 10 | 10 | 10 | 10 | 12 | 12 | 12 | 405 | 415 | 435 | 425 | 423 | 413 | 405 | 425 | 439 |
| Ströms Bruks A.-B. (Pulp and Timber) | 12 | 100 | 10 | 10 | 10 | 10 | 9 | 9 | 9 | [2]255 | 248 | 255 | 265 | [4]265 | 258 | 238 | 238 | 250 |
| Svenska Ackumulator A.-B. Jungner (Accumulators) . { Ord. A | 2.16 | 100 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 200 | 205 | 210 | 210 | 205 | 205 | 195 | 190 | 195 |
| » B, free[5] | 3.78 | 100 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 205 | 205 | 210 | 210 | 205 | 205 | 195 | 190 | 195 |
| Svenska Aeroplan A.-B. (Aeroplanes) { Pref. | 6 | 100 | — | — | 2.50+ | 2.50+ | 2.50+ | 2.50+ | 2.50+ | 110 | 118 | 117 | 118 | 120 | 121 | 119 | 119 | 120 |
| Ord. | 15 | 100 | — | — | 2.50<br>5 | 2.50<br>5 | 2.50<br>5 | 2.50<br>6 | 2.50 | 112 | 114 | 122 | 128 | 126 | 119 | 117 | 119 | 120 |
| Svenska A.-B. Gasaccumulator (AGA) (Beacon Lighting etc.) Pref. shares | 28.6 | 100 | 7 | 5 | 5 | 5 | 5 | 5 | 5 | 116 | 118 | 125 | 125 | 124 | 123 | 117 | 119 | 122 |
| Svenska Diamantbergborrnings A.-B. (Ore Prospecting etc.) | 1.89 | 150 | 25 | 25 | 25 | 25 | 22.50 | 22.50 | 22.50 | [2]480 | 500 | 500 | 515 | 500 | 490 | 500 | 500 | 510 |
| Svenska Oljeslageri A.-B. (Vegetable Oils etc.) | 3.6 | 100 | 8 | 10 | 10 | 6 | — | 4 | 5 | 150 | 150 | — | 158 | 155 | 165 | 165 | 170 | 170 |
| Svenska Sockerfabriks A.-B. (Sugar) | 81 | 60 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | | 90 | 91.50 | 94 | 98 | 99.50 | 97.50 | 90.50 | 92 | 92 |
| Svenska Tändsticks Aktiebolag. (Matches) . { Series A | 22.50 | 25 | — | — | — | — | — | — | — | 31 | 30 | 30.50 | 32 | 33.50 | 32 | 30.50 | 32 | 33 |
| » B[5] | 95 | 25 | — | — | — | — | — | — | — | 31 | 30 | 30.50 | 32 | 33 | 32 | 30.50 | 32.50 | 32.50 |
| Telefon A.-B. L. M. Ericsson (Telephones) . { Series A | 28.23 | 35 | 1.50 | — | — | 1.50 | 1.50 | 1.50 | 1.75 | [2]52 | 56.50 | 61.50 | 62 | 60 | 55.50 | 54.50 | 54 | 57 |
| » B[5] | 42.35 | 35 | 1.50 | — | — | 1.50 | 1.50 | 1.50 | 1.75 | [2]52 | 57 | 61.50 | 62 | 60 | 55.50 | 54.50 | 55.50 | 57.50 |
| Trafik A.-B. Grängesberg—Oxelösund (Iron Ore) | 119 | 100 | 10 | 12 | 12 | 12 | 12 | 12 | 10 | 210 | 207 | 216 | 216 | 210 | 198 | 190 | 195 | 199 |
| Uddeholms A.-B. (Pulp, Timber and Iron) | 62 | 100 | 6 | 6 | 7 | 7 | 8 | 8 | 8 | [2]238 | 245 | 245 | 248 | 235 | 230 | 230 | 234 | 238 |
| Wifstavarfs A.-B. (Pulp and Timber) | 14.5 | 100 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 270 | [4]290 | 260 | 258 | 255 | 257 | 245 | 247 | 255 |
| **Railway and Shipping Shares.** | | | | | | | | | | | | | | | | | | |
| A.-B. Svenska Amerika Linien (Shipping)[6] | 24 | 100 | 2 | — | — | 5 | 5 | 5 | 5 | 125 | 130 | 134 | 139 | 138 | 133 | 128 | 133 | 135 |
| A.-B. Svenska Amerika-Mexikolinjen (Shipping) | 8.4 | 1 000 | 50 | 80 | 80 | 80 | 80 | 80 | **80 | 1850 | 1825 | 1850 | [4]2100 | — | [4]1950 | — | 1750 | 1800 |
| Bergslagernas Järnvägs A.-B. (Railway)[5] | 25.15 | 200 | 9 | 10 | 10 | 10 | 10 | 12 | 12 | [2]460 | 485 | 490 | 500 | 515 | 475 | 482 | 455 | 500 |
| Gäfle-Dala Järnvägs A.-B. (Railway) | 12.96 | 100 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | [2]255 | 275 | 282 | 286 | 290 | 290 | 292 | 285 | 290 |
| Göta Kanalbolag. Series I (Canal Co.) | 5.15 | 150 | 4 | 4 | 3 | 3 | 3 | 3 | 3 | 81 | 84 | 86 | [2]87 | 90 | 90 | 89 | 88 | 89 |
| Rederi A.-B. Svenska Lloyd (Shipping)[6] | 11.83 | 50 | 3.50 | 4.50 | 5 | 5 | 4.50 | 5 | 4.50 | 108 | 116 | 117 | 115 | 111 | 105 | 102 | 104 | 113 |
| Rederi A.-B. Transatlantic (Shipping) . { Pref.[6] | 3 | 100 | 5.50 | 5.50 | 5.50 | 5.50 | 5.50 | 5.50 | 5.50 | 121 | 125 | 130 | 130 | 135 | — | — | 125 | — |
| Ord.[6] | 12 | 100 | 8 | 10 | 10 | 10 | 10 | 10 | 10 | 348 | [7]265 | [7]275 | [7]300 | [7]285 | 268 | 261 | 268 | 285 |
| Stockholms Rederi A.-B. Svea (Shipping) | 17.64 | 30 | 1.50 | 2 | 2 | 2.50 | 2.50 | 2.50 | 2.50 | 57.50 | 59 | 59 | 60 | 59 | 57 | 53.50 | 54 | 57 |
| **Insurance Shares.** | | | | | | | | | | | | | | | | | | |
| Brandförsäkrings A.-B. Fenix[5] | 2.4 | 500 | [3]45+30 | 30 | [3]20+30 | 50 | 50 | 50 | 50 | [2]1275 | 1275 | 1275 | 1275 | 1275 | 1275 | 1275 | 1275 | 1275 |
| Brand- och Lifförsäkrings-A.-B. Svea[5] | 12 | 100 | [3]4+8 | [3]4+8 | — | 5 | — | — | 5 | [2]158 | 169 | 169 | [4]188 | 176 | 188 | 190 | 173 | 173 |
| Försäkrings-A.-B. Skandia[5] | 20 | 500 | [3]20+40 | [3]20+40 | [3]20+40 | [3]15+25 | [3]15+25 | [3]15+25 | [3]15+25 | [2]1050 | 1020 | 1050 | 1065 | 1130 | 1185 | 1080 | 1075 | 1125 |
| Försäkrings A.-B. Atlantica[5] | 1.5 | 100 | 13 | 13 | 10 | 10 | 10 | 10 | 10 | [2]220 | 220 | 220 | 230 | 230 | 230 | 225 | 215 | 220 |
| Försäkrings A.-B. Hansa[5] | 5 | 500 | 45 | 45 | 45 | 45 | 45 | 45 | 45 | [2]980 | 1000 | 1000 | 1015 | 1060 | 1055 | 1050 | 1050 | 1050 |
| Försäkrings A.-B. Ocean[5] | 4 | 125 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | [2]420 | 425 | 445 | 460 | 455 | 430 | 425 | 415 | — |
| **Bank Shares.** | | | | | | | | | | | | | | | | | | |
| A.-B. Göteborgs Bank { Pref.[6] | *67 | 125 | 6.25 | 6.25 | 6.25 | 6.25 | 6.25 | 6.25 | 6.25 | 150 | 156 | 161 | 160 | 160 | 157 | 155 | 161 | 160 |
| Ord.[6] | | 125 | 6.25 | 6.25 | 6.25 | 6.25 | 6.25 | 6.25 | 7.50 | 187 | 189 | 196 | 205 | 205 | 206 | 205 | 205 | 210 |
| » Skånska Banken[6] | * 26 | 50 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 78 | 79 | 81 | 85 | 84.50 | 85 | 84 | 84 | 84 |
| » Svenska Handelsbanken { Pref.[6] | *200 | 100 | | | | | | 4.50 | 4.50 | [4]125 | 117 | 120 | — | 127 | 129 | 124 | 120 | 125 |
| Ord.[6] | | 100 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 208 | 215 | 225 | 226 | 228 | 229 | 224 | 227 | 234 |
| Inteckningsbanken A.-B.[6] | * 35 | 300 | 40 | 35 | 30 | 30 | 30 | 30 | 30 | 650 | 670 | 720 | 720 | 715 | 725 | 700 | 710 | 740 |
| Skandinaviska Banken A.-B.[6] | *183 | 142 | 10 | 10 | 10 | 10 | 10 | 12 | 12 | 295 | 303 | 316 | 318 | 320 | 321 | 317 | 314 | 324 |
| Skaraborgs Enskilda Bank A.-B.[6] | * 15.1 | 100 | 8 | 8 | 8 | 6 | 6 | 6 | 6 | 143 | 143 | 148 | 151 | 160 | 160 | 162 | 160 | 160 |
| Smålands Enskilda Bank A.-B.[6] | * 14.4 | 100 | — | — | — | — | — | — | — | 100 | 101 | 107 | 108 | 110 | 113 | 108 | 108 | 113 |
| Stockholms Enskilda Bank A.-B.[6] | *100 | 1 000 | [3]50+100 | [3]50+100 | [3]50+100 | [3]50+100 | [3]50+100 | [3]50+100 | [3]50+100 | 3900 | 4025 | 4160 | 4070 | 4000 | 3750 | 3790 | 4130 | 4150 |
| Sundsvalls Enskilda Bank A.-B.[6] | * 32.5 | 100 | [3]6+9 | [3]6+9 | [3]6+9 | [3]6+9 | [3]6+9 | [3]6+9 | [3]6+9 | 355 | 350 | 360 | 360 | 380 | 370 | 380 | 370 | 380 |
| Uplands Enskilda Bank A.-B.[6] | * 19.2 | 100 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 137 | 137 | 140 | 146 | 150 | 147 | 144 | [4]148 | 149 |
| Wermlands Enskilda Bank A.-B. { Pref.[6] | * 22 | 100 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | [4]122 | 115 | 120 | 123 | 125 | 125 | 124 | 125 | 125 |
| Ord.[6] | | 100 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | — | 140 | 148 | 150 | 155 | 152 | 155 | 152 | 153 |
| Östergötlands Enskilda Bank A.-B.[6] | * 19.4 | 100 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 107 | 113 | 113 | 114 | 116 | 113 | 110 | 114 | 115 |

Refer to dividends paid for the preceding financial year. — [5] Ex dividend. — [3] Interim dividend paid in the preceding year. — [4] Selling price. — [5] Acquirable by aliens. — [6] Not acquirable by aliens. — [7] Ex right to participate in bonus issue.

*** Paid-up capital and reserves.**

# Quotations of Swedish Bonds.

## Quoted on the Stock Exchange.

In percentage; ex interest.

| | Terms of Redemption D = Drawings P = Purchase | Redeemable in Whole | Interest Dates * | Prices (bid) 1945 29/6 | 31/7 | 31/8 | 28/9 | 30/10 | 30/11 | 29/12 | 1946 11/1 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Swedish Government 2 1/2 % 1935 | Maturity 1947 | | 15/4—15/10 | 102 | 102 1/4 | 102 1/4 | 102 1/4 | 102 | 101 7/8 | 101 7/8 | 101 7/8 |
| » » 2 3/4 » 1939 | » 1969 | 15/12 1949 | 15/6—15/12 | 96 1/2 | 96 1/2 | 97 | 98 | 99 | 98 1/2 | 98 1/2 | 98 1/4 |
| » » 3 » 1934 | Perpetual Loan | 30/12 1944 | 30/6—30/12 | 94 1/4 | 99 1/4 | 99 1/4 | 99 1/2 | 99 3/4 | 99 1/2 | 99 1/2 | 99 1/4 |
| » » 3 » 1937 1/2 | 1938—1997 D P | 1/2 1947 | 1/2— 1/8 | 100 | 100 | 100 1/4 | 100 1/4 | 100 1/4 | 100 | 100 | 99 3/4 |
| » » 3 » 1937 1/3 | 1938—1997 D P | 1/3 1947 | 1/3— 1/9 | 100 | 100 | 100 1/4 | 100 1/4 | 100 1/4 | 100 | 100 | 99 3/4 |
| » » 3 » 1941 [1] 2nd Defence Loan | Maturity 1951 | | 15/1—15/7 | 105 | 105 | 105 1/4 | 106 | 106 1/4 | 105 1/2 | 105 1/4 | 105 1/2 |
| » » 3 » 1941 15/12 | Maturity 1946 | | 15/6—15/12 | 102 3/4 | 102 3/4 | 102 3/4 | 102 3/4 | 102 1/4 | 102 | 101 7/8 | 101 3/4 |
| » » 3 » 1942 3rd Defence Loan | Maturity 1947 | | 15/2—15/8 | 103 1/4 | 103 3/4 | 103 3/4 | 103 3/4 | 103 1/4 | 102 3/4 | 102 3/4 | 102 3/4 |
| » » 3 » 1943 15/4 | Maturity 1949 | | 15/4—15/10 | 103 3/4 | 104 1/4 | 104 1/4 | 104 1/2 | 104 1/2 | 103 1/2 | 103 1/4 | 103 1/2 |
| » » 3 » 1944 | Maturity 1950 | | 15/9 | 103 1/2 | 104 1/4 | 104 1/2 | 104 3/4 | 104 3/4 | 103 1/2 | 103 1/2 | 103 1/2 |
| » » 3 » 1945 1/7 | Maturity 1985 | 1/7 1955 | 1/7 | — | — | — | — | 100 1/4 | 100 | 100 | 99 3/4 |
| » » 3 1/2 » 1941 | Maturity 1981 | 15/12 1951 | 15/6—15/12 | 105 3/4 | 105 3/4 | 106 | 106 1/2 | 106 3/4 | 106 | 106 | 105 3/4 |
| » » 3 1/2 » 1942 3rd Defence Loan | Maturity 1982 | 15/8 1952 | 15/2—15/8 | 105 3/4 | 106 | 106 | 106 1/2 | 107 | 106 | 106 1/4 | 105 3/4 |
| » » 3 1/2 » 1943 15/3 | Maturity 1988 | 15/3 1953 | 15/3—15/9 | 106 | 106 | 106 | 106 3/4 | 107 | 106 1/4 | 106 1/4 | 106 |
| » » 3 1/2 » 1943 15/4 | Maturity 1988 | 15/4 1953 | 15/4—15/10 | 106 | 106 | 106 1/4 | 106 3/4 | 107 1/4 | 106 1/2 | 106 1/2 | 106 1/4 |
| » » 3 1/2 » 1943 1/11 | Maturity 1990 | 1/11 1953 | 1/5—1/11 | 106 | 106 | 106 1/4 | 106 3/4 | 107 1/4 | 106 3/4 | 106 3/4 | 106 1/4 |
| » » 3 1/2 » 1944 15/3 | Maturity 1992 | 15/3 1954 | 15/3—15/9 | 106 1/4 | 106 1/4 | 106 1/4 | 107 | 107 1/4 | 106 3/4 | 107 | 106 1/2 |
| » » 3 1/2 » 1944 15/12 | Maturity 1994 | 15/12 1954 | 15/12 | 106 1/2 | 106 1/2 | 106 1/2 | 107 | 107 1/4 | 107 | 107 | 106 3/4 |
| » » 4 » 1941 2nd Defence Loan | Maturity 1951 | | 15/1—15/7 | 108 1/4 | 108 3/4 | 109 | 109 1/4 | 109 1/4 | 108 1/4 | 108 1/4 | 108 1/4 |
| » » 4 1/2 » 1940 | 1946—1975 D P | 1/4 1950 | 1/4— 1/10 | 109 | 109 1/4 | 109 1/2 | 109 1/2 | 109 1/2 | 108 3/4 | 108 1/2 | 108 1/4 |
| Sveriges Allm. Hypoteksbank 2 3/4 % 1939 | 1940—1999 D P | 15/4 1949 | 15/4—15/10 | 95 | 95 1/4 | 95 3/4 | 95 3/4 | 96 | 96 | 96 | 95 3/4 |
| (Royal Swedish Mortgage Bank) 3 » 1935 I | 1945—2005 D P | 30/3 1945 | 30/3—30/9 | 99 1/2 | 99 3/4 | 99 3/4 | 99 3/4 | 100 | 99 3/4 | 99 3/4 | 99 1/2 |
| » » 3 » 1935 II | 1945—1964 D / 1965—2005 D P | 30/9 1945 | 30/3—30/9 | 99 1/2 | 99 3/4 | 99 3/4 | 99 3/4 | 100 | 99 3/4 | 99 3/4 | 99 1/2 |
| » » 3 » 1937 | 1947—1999 D P | 1/6 1947 | 1/6— 1/12 | 99 3/4 | 99 3/4 | 99 3/4 | 100 | 100 | 99 3/4 | 99 3/4 | 99 1/2 |
| » » 3 » 1939 | 1940—1999 D P | 1/11 1949 | 1/5— 1/11 | 99 1/2 | 99 3/4 | 99 3/4 | 99 3/4 | — | 99 3/4 | 99 3/4 | 99 1/2 |
| » » 3 1/2 » 1942 | Maturity 1974 [7] | 7 | 15/6—15/12 | 105 3/4 | 106 | 106 1/4 | 106 | — | 106 1/2 | 106 | — |
| » » 4 » 1878 | 1884—1959 D P | | 30/6—31/12 | 107 | 107 | 107 | 107 | 107 | 107 | 107 | 107 |
| Kon. Sveriges Stadshypotekskassa 2 1/2 » 1938 | 1939—2008 D P | 15/2 1948 | 15/2—15/8 | 87 | 87 | 87 1/2 | 89 | 90 | 90 1/2 | 90 1/2 | 90 1/2 |
| (Swedish Cities' Mortgage Bank) 3 » 1934 | 1944—2008 D P | 1/5 1944 | 1/5— 1/11 | 99 1/2 | 99 1/2 | 99 3/4 | 99 3/4 | 99 3/4 | 99 3/4 | 99 3/4 | 99 1/2 |
| » » 3 » 1935 | 1945—2009 D P | 15/3 1945 | 15/3—15/9 | 99 1/2 | 99 1/2 | 99 3/4 | 99 3/4 | 99 3/4 | 99 3/4 | 99 3/4 | 99 1/2 |
| » » 3 » 1937 | 1947—2002 D P | 15/5 1947 | 15/5—15/11 | 99 1/2 | 99 3/4 | 99 3/4 | 99 3/4 | 99 3/4 | 99 3/4 | 99 3/4 | 99 3/4 |
| » » 3 » 1939 | 1946—2006 D P | 1/2 1946 | 1/2— 1/8 | 99 1/2 | 99 3/4 | 99 3/4 | 99 3/4 | 99 3/4 | 99 3/4 | 99 3/4 | 99 3/4 |
| » » 3 » 1945 | Maturity 1987 | 9 | 15/4—15/10 | — | — | — | 100 | 100 1/4 | 100 | 100 | 99 3/4 |
| » » 3 1/4 » 1937 | 1947—2006 D P | 1/3 1947 | 1/3— 1/9 | 102 1/2 | 102 1/2 | 102 1/2 | 102 1/2 | 102 1/2 | 102 1/4 | 102 1/4 | 102 |
| » » 3 1/2 » 1941 | 1951—1999 D P | 1/6 1951 | 1/6— 1/12 | 105 1/2 | 105 1/2 | 105 3/4 | 105 3/4 | 105 3/4 | 105 1/4 | 105 1/4 | 105 1/2 |
| » » 3 1/2 » 1942 | Maturity 1974 [8] | 8 | 15/4—15/10 | 106 | 106 | 106 | 106 1/4 | 106 1/2 | 106 1/4 | 106 | 106 |
| » » 3 1/2 » 1944 | Maturity 1986 | 10 | 15/1—15/7 | 106 1/4 | 106 1/4 | 106 1/4 | 106 1/2 | 107 1/4 | 107 | 107 | 106 1/2 |
| » » 4 » 1941 | 1951—1999 D P | 15/2 1951 | 15/2—15/8 | 108 1/4 | 108 1/4 | 108 1/4 | 108 1/2 | 108 1/2 | 108 1/4 | 108 | 107 3/4 |
| » » 4 1/2 » 1940 | 1950—1999 D P | 15/4 1950 | 15/4—15/10 | 109 | 109 | 109 1/2 | 109 1/2 | 109 1/2 | 109 | 109 | 109 |
| Svenska Bostadskreditkassan [2] 3 » 1939 | 1949—1979 D P | 15/1 1949 | 15/1—15/7 | 99 | 99 1/2 | 99 1/2 | 99 3/4 | 100 | 99 1/2 | 99 1/2 | 99 1/2 |
| » » 3 1/2 » 1944 I | 1945—1974 D P | 15/1 1954 | 15/1—15/7 | 105 1/4 | 105 3/4 | 106 | 106 1/4 | 106 3/4 | 106 | 106 1/4 | 106 |
| Svenska Skeppshypotekskassan [3] 2 3/4 » 1940 | 1941—1950 D P | | 1/3— 1/9 | 101 | 101 | 101 | 101 | 100 3/4 | 101 1/2 | 101 3/4 | 101 3/4 |
| Inteckningsbanken A.-B.[5] (The Mortgage Bank Ltd) 3 » 1934 | 1944—1993 D P | 1/12 1944 | 1/6— 1/12 | 99 | 99 1/2 | 99 1/2 | 99 1/2 | 99 3/4 | — | 99 1/2 | 99 1/2 |
| 3 1/2 » 1942 | 1953—1982 D P | 15/1 1952 | 15/1—15/7 | 103 1/2 | 104 | 104 | 104 1/2 | 104 1/2 | 104 | 104 | 104 |
| City of Stockholm 3 » 1925 | 1926—1965 D P | 15/3 1945 | 15/3—15/9 | 100 | 100 | 100 | 100 1/2 | 100 1/2 | 100 1/4 | 100 | 100 |
| » » 3 » 1945 | 1946—1975 D P | 15/3 1955 | 15/3—15/9 | — | — | — | — | 100 | 100 1/4 | 100 3/4 | 100 |
| » » 3 1/4 » 1936 | 1937—1966 D P | 1/5 1946 | 1/5— 1/11 | 100 3/4 | 100 3/4 | 100 3/4 | 101 | 101 | 100 1/2 | 100 1/2 | 100 1/4 |
| » » 3 1/2 » 1941 | 1942—1971 D P | 15/12 1951 | 15/6—15/12 | 103 1/4 | 104 | 104 | 104 1/2 | 105 | 104 | 103 1/2 | 103 |
| » » 3 1/2 » 1943 | 1944—1973 D P | 15/10 1953 | 15/4—15/10 | 103 1/4 | 104 | 104 | 104 1/2 | 105 | 104 | 103 3/4 | 103 1/4 |
| » » 4 » 1939 | 1940—1969 D P | 15/12 1949 | 15/6—15/12 | 105 | 105 | 105 | 105 | 105 | 104 | 104 | 104 |
| » » 4 3/4 » 1940 | 1941—1970 D P | 15/3 1950 | 15/3—15/9 | 108 1/2 | 108 1/2 | 108 1/2 | 108 1/2 | 108 1/2 | 107 1/2 | 107 1/2 | 107 |
| Allmänna Svenska Elektriska A.-B. (ASEA) (Electrical Machinery) 3 » 1939 | 1940—1964 D P | 1/3 1944 | 1/3— 1/9 | 100 | 100 | 100 1/4 | 100 1/4 | 100 1/4 | 100 1/2 | 100 | 100 |
| Krångede A.-B. (Power Co.) 3 1/2 » 1936 | 1942—1966 D | 15/5 1946 | 15/5—15/11 | 100 3/4 | 100 3/4 | 100 3/4 | 101 | 101 | 100 1/2 | 100 1/2 | 100 1/4 |
| Svenska Sockerfabriks A.-B. (Sugar) 3 1/4 » 1936 | 1937—1951 D | 1/10 1946 | 1/4—1/10 | 101 | 101 1/4 | 101 1/4 | 101 1/4 | 101 1/2 | 101 1/4 | 101 1/4 | 100 1/4 |
| Telefon A.-B. L. M. Ericsson (Telephones) 3 1/2 » 1937 | 1938—1957 D P | 31/7 1942 [4] | 31/1—31/7 | 101 1/4 | 101 1/4 | 101 1/2 | 102 | 101 3/4 | 101 3/4 | 101 3/4 | 100 1/2 |
| Uddeholms A.-B. (Wood and Iron products) 3 » 1939 | 1943—1959 D P | 15/10 1949 | 15/4—15/10 | 100 | 100 | 100 1/4 | 100 1/4 | 100 3/4 | 100 1/2 | 100 | 100 |

[1] With annual prize drawings.

[2] The Residential Mortgage Bank of Sweden, founded in 1929, is the central organization of a number of local credit associations having for their object to grant loans to their members against mortgages on houses. It has a guarantee fund of 30 mill. Kr. in Swedish Government bonds placed at its disposal by the Government.

[3] The Swedish Ship Mortgage Bank, founded in 1929, has for its object to grant loans against mortgages on Swedish ships. As a guarantee fund for the Bank the Government has placed at its disposal Swedish Government bonds for 10 mill. Kr.

[4] The company has the right to redeem the loan in 1945 at 101 %, in 1946 at 100 1/2 %, in 1947 and thereafter at 100 %.

[5] Previously Stockholms Intecknings Garanti A.-B. (The Mortgage Bank of Stockholm Ltd.)

[6] The coupon per the 1.11.1945 paid on the 1.5.1945.

[7] The Bank has the right to redeem the loan by annual drawings of non-fixed amounts as from 15/6 1952.

[8] The Bank has the right to redeem the loan by annual drawings or/and purchases of non-fixed amounts in the market as from 15/4 1952.

[9] The Bank has the right to redeem the loan by annual drawings or/and purchases of non-fixed amounts in the market as from 15/4 1955.

[10] The Bank has the right to redeem the loan by annual drawings or/and purchases of non-fixed amounts in the market as from 15/1 1954.

*** Amortization-dates underlined.**

# Quotations of Swedish Bonds (Contd.)

## Not quoted on the Stock Exchange.

In percentage; ex interest.

| | Terms of Redemption D = Drawings P = Purchase | Redeemable in Whole | Interest Dates * | Approximate Prices (bid) 1945 29/6 | 31/7 | 31/8 | 28/9 | 30/10 | 30/11 | 29/12 | 1946 11/1 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| A. B. Bofors (War Material) . . . . . 3½ % 1937 | 1941—1957 D | 15/5 1947 | 15/5—15/11 | 101 | 101 | 101¼ | 101¼ | 101¼ | 101¼ | 101¼ | 101¼ |
| International Match Realization Company, Voting Trust Certificates . . . . . | | | | $31 | $31 | $30 | $32½ | — | $30 | — | $31 |
| A.-B. Kreuger & Toll, Bearer Certificates of Deposit 5 » 1929 | | | | 5¼ | 4 | 5¼ | 5¼ | 5½ | 5¼ | 5 | 5 |

* **Amortization-dates underlined.**

# Quotations of Foreign Bonds.

In percentage; ex interest.

| | Terms of Redemption D = Drawings P = Purchase | Redeemable in Whole | Interest Dates * | Prices (bid) 1945 29/6 | 31/7 | 31/8 | 28/9 | 30/10 | 30/11 | 29/12 | 1946 11/1 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Quoted on the Stock Exchange.** | | | | | | | | | | | |
| Danish Government . . . . . 4 % 1936 [4] | 1937—1956 D [7] | 15/5 1946 | 15/5—15/11 | 94 | 94 | 96½ | 96¾ | 97 | 95½ | 96 | 96¼ |
| » » . . . . . 3½ » 1938 [4] | 1944—1958 D P [7] | 1/11 1948 | 1/5— 1/11 | 86 | 87½ | 90½ | 92½ | 93 | 93 | 93 | 92¾ |
| Danish Mortgage Bank . . . . . 4½ » 1931 [2] [4] | 1936—1971 D P [7] | 15/3 1941 | 15/3—15/9 | 95 | 97 | 99 | 99½ | 99 | 99 | 99 | 99¼ |
| Copenhagen, City of . . . . . 4½ » 1930 [3] [4] | 1931—1970 D P [7] | 1/12 1941 | 1/6— 1/12 | 95 | 97½ | 100 | 99½ | 99 | 99 | 99 | 99 |
| Norwegian Government . . . . . 3½ » 1936 [4] | 1937—1951 D | 15/1 1941 | 15/1—15/7 | 95 | 95¼ | 96¾ | 97¼ | 97½ | 98 | 98½ | 98¾ |
| **Not quoted on the Stock Exchange.** | | | | | | | | | | | |
| Finnish Government . . . . . 4½ » 1934 [4] | 1935—1944 D P [7] | — | 1/4—1/10 | 35 | — | 35 | 39 | 38 | 38 | — | 38 |
| Helsingfors, City of . . . . . 3½ » 1938 [4] | 1943—1953 D P [7] | 1/3 1943 | 1/3— 1/9 | — | — | 35 | 34 | 33 | 34 | — | 33 |
| Municipal Mortgage Bank of Finland . . . . . 5 » 1927 [8] | 1928—1957 D P | 1/1 1944 | 1/1— 1/7 | — | — | 39 | 40 | 47 | 50 | — | 53 |
| Åbo, City of . . . . . 3½ » 1939 [4] | 1940—1959 D P [7] | 2/1 1944 | 2/1— 1/7 | 33 | 30 | 35 | 31 | 30 | 37 | — | 33 |
| German Government International (Young-Loan) with Swedish cert. . . . . 4½ » 1930 | 1941—1965 D P [7] | 1/6 1941 | 1/6— 1/12 | 15½ | 11½ | 12 | 14½ | 12½ | 12½ | 12 | 12½ |

[1] Guaranteed by the Government. — [2] Issued also in £. — [3] Issued also in $. — [4] With affidavit. — [5] At any time on three months' notice. — [6] Selling price. — [7] Amortization-payments suspended. — [8] Issued in £.

***Amortization-dates underlined.**

Stockholm 1946. Kungl. Boktr. P. A. Norstedt & Söner 460133

# SKANDINAVISKA BANKEN

## AKTIEBOLAG

*Statement of Condition November, 30th, 1945*

### ASSETS.

| | | |
|---|---|---|
| Cash in hand | Kr. | 46.018.799 |
| Swedish Treasury Bills | » | 512.900.000 |
| Bills | » | 162.326.589 |
| Loans (secured) | » | 751.054.774 |
| Current Account (secured) | » | 130.477.759 |
| Banks and Savings Banks | » | 80.343.627 |
| Sundry Accounts | » | 43.929.673 |
| Bonds | » | 201.023.435 |
| Shares | » | 93.609.708 |
| Buildings, Furniture and Fittings | » | 22.230.249 |
| | Kr. | 2.043.914.613 |

### LIABILITIES.

| | | | | |
|---|---|---|---|---|
| Bills at sight in circulation (»postremiss» bills) | | | Kr. | 26.724.833 |
| Deposits: at sight | | | » | 445.730.880 |
| at notice | | | » | 1.227.849.729 |
| Banks and Savings Banks | | | » | 84.614.194 |
| Sundry Accounts | | | » | 75.994.977 |
| Share Capital | Kr. | 95.708.000: — | | |
| Reserve Funds | » | 87.292.000: — | » | 183.000.000 |
| | | | Kr. | 2.043.914.613 |

# SKANDINAVISKA BANKEN

## AKTIEBOLAG

GÖTEBORG STOCKHOLM MALMÖ

*Offices and Branches:*

Alsterbro
Anderslöv
Ankarsrum
Arboga
Arlöv
Asa
Askersund

Bengtsfors
Bettna
Billesholm
Björkvik
Boden
Borgholm
Borås
Bromölla
Brålanda
Båstad
Bäckefors

Dalby
Dalsjöfors
Degerhamn

Ed
Eskilstuna
Eslöv

Falsterbo (1/6-31/8)
Flen
Färgelanda

Gamleby
Gnesta
Grythyttan
Grönskåra
Gustavsfors
Gärsnäs
Gävle
Gökalund
Göteborg
(7 local branches)

Hallsberg
Halmstad
Hällefors
Hälsingborg
Härnösand
Höganäs
Hörby

Järna

Kalmar
Karlshamn
Karlskoga
Katrineholm
Klippan
Kopparberg
Kristianstad
Kumla
Kungsör
Köping

Laholm
Landskrona
Lenhovda
Lessebo
Limmared
Lindesberg
Linköping
Loftahammar
Lomma
Luleå
Lund
Löderup

Malmköping
Malmö
(5 local branches)
Mariedam
Mariefred
Mellerud
Moheda
Mölilla
Mörbylånga

Nora
Norrköping
Nybro
Nyköping
Nynäshamn

Oxelösund

Perstorp
Piteå

Ramkvilla
Renland
Råå
Rönninge

S:t Olof
Simrishamn
Sjöbo
Skelleftehamn
Skellefteå
Skivarp
Skurup
Smålands Gällaryd
Solna
Sparreholm
Stallarholmen
Stjärnhov
Stockholm
(27 local branches
Strängnäs
Svalöv
Söderhamn
Södertälje
Södra Vi
Sölvesborg

Teckomatorp
Tollarp
Torshälla
Trelleborg
Trosa
Tumba
Tuna
Tystberga

Ulricehamn
Umeå

Vagnhärad
Valla
Vaxholm
Vellinge
Vimmerby
Vingåker
Västervik
Växjö

Ystad

Åmmeberg
Åmål
Ånimskog
Åstorp

Älmhult
Ängelholm

Örebro
Örkelljunga
Överum